

The London Plan
Spatial Development Strategy for Greater London
Consolidated with Alterations since 2004

April 2010

London Plan
CROSSRAIL
Alterations

**Use of planning obligations
in the funding of Crossrail**

MAYOR OF LONDON

Copyright

Greater London Authority April 2010

Published by
Greater London Authority
City Hall
The Queen's Walk
More London
London SE1 2AA

www.london.gov.uk

enquiries 020 7983 4100

minicom 020 7983 4458

Copies of this document are available from

<http://www.london.gov.uk/priorities/planning/vision/london-plan/crossrail-alterations>

Introduction

Background

This document sets out alterations to the London Plan Consolidated with Alterations since 2004 (published February 2008) on the use of planning obligations in the funding of Crossrail.

In December 2008, the Mayor wrote to the Chair of the London Assembly and to the GLA group organisations to consult them on proposed alterations to the London Plan on the use of planning obligations in the funding of Crossrail. The proposed alterations were also open for public comment from December 2008 to February 2009. The alterations in draft form were subject to 12 weeks public consultation which ran from May to August 2009. An EiP was held in City Hall from 14 to 18 December 2009. An independent panel considered the draft alterations together with the associated draft supplementary planning guidance (SPG) and the consultation responses to them, and sent their report to the Mayor on 1 February 2010. On 5 February 2010 the Mayor published the EiP panel's report.

On 12 March 2010, the Mayor wrote to John Denham, Secretary of State Department of Communities and Local Government, to inform him that he had decided to accept all the EiP panel's recommendations on the alterations, either fully or in part, and that he intended to publish (ie adopt) the alterations after the statutory six weeks consultation with Government, unless the SoS directed otherwise. On 29 March 2010, Ian Austin, Parliamentary Under Secretary of State, wrote in reply to say that no direction would be issued.

The Crossrail alterations

The alterations consist of changes to the London Plan Consolidated with Alterations since 2004, the Mayor's Spatial Development Strategy, published in February 2008. The alterations now become part of the London Plan, and have the same status as the rest of the London Plan for development planning purposes.

Alterations to Chapter 3c connecting London – improving travel in London

- new policy *3C.12A Funding of Crossrail*, to be inserted after Policy 3C.12 on page 142
- the deletion of supporting text paragraphs 3.224 to 3.226 on pages 142-3, and their replacement with new paragraphs 3.224 to 3.226c

Alterations to Chapter 6 implementing the London Plan

- amended policy *6A.4 Priorities in planning obligations* to replace existing Policy 6A.4 on page 371
- amended policy *6A.5 Planning obligations* to replace existing Policy 6A.5 on page 371
- the deletion of supporting text paragraphs 6.22 to 6.23 on page 371, and their replacement with new paragraphs 6.22 to 6.23b

Alterations to Annex 6 list of current and proposed Supplementary Planning Guidance

- an amendment to the list of proposed SPG on page A38

Crossrail Supplementary Planning Guidance

The Mayor has prepared draft Crossrail SPG, revised at each consultation stage. The SPG explains how London Plan Crossrail and planning obligations policies operate, and provides detailed guidance on:

- the range of uses from which Crossrail contributions will be sought
- areas in London within which contributions will be sought
- indicative contribution levels and arrangements for collection.

The latest version of the draft SPG incorporates the EiP panel's recommendations on the alterations and their comments on the SPG, and public consultation on this closes on 19 May 2010. The Mayor will publish the Crossrail SPG shortly afterwards.

<http://www.london.gov.uk/priorities/planning/vision/london-plan/crossrail-alterations>

3c connecting London – improving travel in London

Policy 3C.12A Funding of Crossrail and other strategically important transport infrastructure

In view of the strategic regional importance of Crossrail to London's economic regeneration and development, and in order to bring the project to fruition in a suitably timely and economic manner, contributions will be sought from developments likely to add to, or create, congestion on London's rail network that Crossrail is intended to mitigate. This will be through planning obligations, arrangements for the use of which will be established at strategic level, in accordance with relevant legislation and policy guidance.

The Mayor will provide guidance for boroughs and other partners for the negotiation of planning obligations requiring, where appropriate, developers to contribute towards the costs of funding Crossrail having regard to:

- The requirement for contributions from development of up to £600 million under the arrangements for funding Crossrail agreed with Government;
- Central government policy and guidance;
- Strategic and local considerations;
- The impacts of different types of development in particular locations in contributing to transport needs; and
- Economic viability of each development concerned.

The guidance will include:

- Criteria for identifying developments in respect of which Crossrail contributions should be sought in accordance with national policy guidance;
- Formulae for calculating fair and reasonable contributions to be sought and guidance on how these should be applied in specific localities and to different kinds of development; and
- The period over which contributions will be sought and arrangements for periodic review.

In consultation with the Mayor, boroughs should seek to identify in their DPDs particular sites and sub-areas where contributions are likely to be appropriate and should be sought.

The Mayor will, when considering relevant planning applications of potential strategic importance, take account of the existence and content of planning obligations supporting the funding of Crossrail among other material planning considerations.

The approach outlined in this policy could where appropriate also be applied to other transport infrastructure of regional strategic importance to London's economic regeneration and development and other objectives of this Plan (such as extension of the Northern Line to Battersea). Any proposal of this kind will have regard to the issues outlined above.

Cross-London rail links

- 3.224 The Thameslink Upgrade programme, expected to be completed by 2016, is a significant enhancement of cross-London capacity, connecting north and south, linking King's Cross to Blackfriars and London Bridge and enabling more through journeys, as well as increasing interchange opportunities in the vicinity of King's Cross and London Bridge.
- 3.225 Crossrail is essential to delivery of the strategic objectives of this plan. Demand for public transport into and within central London is nearing capacity, with crowding on Network Rail services and on London Underground routes towards the West End, the City and Isle of Dogs. The employment growth expected over the period covered by this plan will further increase demand. Unless this is addressed, continued development and employment growth in central and eastern London will be threatened. In particular, Crossrail is critical to supporting the growth of the financial and business services sector in central London and in the Isle of Dogs, where there is market demand for additional development capacity. It will also provide much-needed additional transport capacity to the West End, where it will support the future development of that area as London's premier retail and leisure location. The scheme will also improve links to Heathrow, thereby supporting connections for London's global businesses. By linking these areas, Crossrail will help reinforce the development of London's economic and business core. It is also crucial to the realisation of regeneration and intensification opportunities around key interchanges within the Central Activities Zone and to its east and west. Crossrail will make a vital contribution to improving the accessibility and attractiveness of the Thames Gateway to the east of the Isle of Dogs, through its cross-river link to south-east London and connection with the DLR network (including to a potential DLR extension to Barking Riverside) via an interchange at Custom House. It is expected that Crossrail will be operational in 2017.
- 3.226 Given the strategic regional importance of Crossrail, and that the funding arrangements for the scheme announced by government makes clear that it will not proceed without contributions from developers, the use of planning obligations to secure resources to support funding Crossrail from developments that give rise to additional demand for public transport that Crossrail will help address is appropriate in terms of Government guidance (currently Office of the Deputy Prime Minister Circular 5/2005) and other policies in this Plan. The funding agreement for Crossrail between the Mayor, Transport for London and the Government envisages that a total of £600 million might be raised towards the cost of the project from developers, as follows:
- £300 million from use of planning obligations or any similar system that might replace them; and
 - £300 million from the proposed Community Infrastructure Levy (CIL).
- 3.226a Policy 3C.12A relates to the raising of the first of these sums, but specifies the full sum to be raised through developer contributions for Crossrail to provide guidance for the CIL calculations required under Policy 6A.5A. The Mayor will bring forward supplementary planning guidance setting out detailed advice about the principles to be applied to this end, including timing and phasing, pooling arrangements, formulae to fix indicative contribution levels and how

they will be applied in specific localities and to particular kinds of development. This guidance will take appropriate account of relevant legislation and policy guidance. Once implemented, the proposed Community Infrastructure Levy will be used to raise resources to help fund Crossrail (see paragraph 6.23a).

- 3.226b It is proposed that contributions will be sought in respect of developments in central London (the extent of the relevant area will be set out in the supplementary guidance, but it will be based upon the Central Activities Zone identified in Policy 5G.1) and the northern part of the Isle of Dogs which include an increase in the amount of office, retail and hotel floorspace. They will also be sought from developments in the rest of London where this is appropriate under Government guidance, policies in this Plan and in local development frameworks. The selected approach will ensure contributions are sought only from developments that will create, or add to, congestion on London's rail network, which provision of Crossrail is intended to mitigate. Any changes by the Mayor to the indicative levels of contribution would be made through new supplementary guidance, and this would be the subject of full consultation. Any new figure would be set to take account of the effect it might have on the viability of development, through considering development benchmarks set in this Plan (in Policy 3B.2, with regard to offices for example) and associated guidance.
- 3.226c A scheme partly safeguarded as the Chelsea-Hackney Line, would follow when funding is available. This scheme as currently planned would connect south west and north east London through Clapham Junction/ Wimbledon and Hackney respectively, and will support intensification and development at Victoria, King's Cross, Piccadilly Circus, Tottenham Court Road, Hackney Central and up the Lea Valley. It will also relieve congestion on the Victoria and Piccadilly lines.

6 implementing the London Plan

Policy 6A.4 Priorities in planning obligations

The Mayor will, and boroughs must, reflect the policies of this plan (in particular Policy 3C.12A), as well as local needs in their policies for planning obligations (see ODPM Circular 5/2005).

Affordable housing; supporting the funding of Crossrail where this is appropriate (see Policy 3C.12A); and other public transport improvements should be given the highest importance. Where it is appropriate to seek a Crossrail contribution in accordance with Policy 3C.12A, this should generally be given higher priority than other public transport improvements.

Importance should also be given to tackling climate change, learning and skills, health facilities and services and childcare provisions.

The Mayor will, when considering planning applications of potential strategic importance, take into account, among other issues, the existence and content of planning obligations.

Policy 6A.5 Planning obligations

Boroughs must set out a clear framework for negotiations on planning obligations in DPDs having regard to central government policy and guidance and local and strategic considerations (see Policy 6A.4) to the effect that:

- It will be a material consideration whether a development makes an appropriate contribution or other provision (or some combination thereof) towards meeting the requirements made necessary by, and related to, the proposed development;
- Negotiations should seek a contribution towards the full cost of all such provision that is fairly and reasonably related in scale and kind to the proposed development and its impact on a wider area; and
- Boroughs must refer to planning obligations that would be sought in the relevant parts of the DPDs (such as transport and housing policies).

The Mayor will provide guidance for boroughs and other partners on the preparation of these frameworks. In particular, the Mayor wishes to develop with boroughs a voluntary system of pooling contributions for the provision of facilities related to proposed developments.

Policy 6A.5A Community Infrastructure Levy

The Mayor will work with Government and other stakeholders to ensure the effective development and implementation of the proposed Community Infrastructure

The Mayor will prepare guidance for boroughs and other partners setting out a clear framework for application of the Community Infrastructure Levy to

ensure the costs incurred in providing the infrastructure which supports the policies in this plan (particularly public transport including Crossrail – see Policy 3C.12) can be funded wholly or partly by those with an interest in land benefiting from grant of planning permission.

- 6.22 Delivery of strategic priorities, such as funding public transport (particularly the requirement to contribute to the funding of Crossrail where this is appropriate (see policy 3C.12A) and increasing the supply of affordable housing, will rely upon substantial contribution being made through the negotiation of planning obligations on a consistent basis throughout London.
- 6.23 Many developments have impacts beyond individual borough boundaries, such as those involving public transport improvements and new school and health facilities. The acute shortage of homes and the constraints on the public transport system mean that all developments make an incremental impact upon the overall needs of the city. A strategic approach is needed in respect of the wider impacts of an application, in addition to the assessment of more local needs, in accordance with national guidance. The Mayor wants as far as possible to reconcile strategic with more local impacts. There is also a need for pooling contributions in cases where partial contributions towards a larger objective may be appropriate – strategic transport projects like Crossrail, for example – in accordance with Government guidance (currently ODPM Circular 5/2005, published in July 2005).
- 6.23a The Government has announced its intention to introduce a Community Infrastructure Levy, intended to enable the capture of greater levels of planning gain from residential and commercial development to help fund the infrastructure necessitated by growth. The powers to implement the CIL by regulations are included in the Planning Act 2008. These regulations will cover issues such as collection, liability to pay, setting the amount of the levy, collection and enforcement. Introduction of the CIL is also likely to involve a change in the use of planning obligations.
- 6.23b The CIL will be based on costed assessments of the infrastructure needs arising from the development contemplated by this plan and local development frameworks. The Mayor will work with stakeholders to ensure effective arrangements are in place with regard to assessing the costs of infrastructure anticipated by this plan (that needed for transport, including Crossrail, in particular). To this end supplementary guidance will be brought forward setting a clear framework for the application of the CIL in London. This will include the methods boroughs must use to determine the amount of Community Infrastructure Levy to be collected in respect of the infrastructure required to support the policies in this plan. It will also include guidance for boroughs on the use of planning obligations following implementation of the Community Infrastructure Levy, particularly as regards securing affordable housing.

Annex 6 list of current and proposed supplementary guidance

List of proposed supplementary guidance

- Use of planning obligations in the funding of Crossrail
- Implementing the Community Infrastructure Levy

