

**LONDON VIEW MANAGEMENT FRAMEWORK
LONDON FIRST RESPONSE
30/09/09**

INTRODUCTION

1. London First is a business membership group whose aim is to make London the best city in the world in which to do business. We do this by mobilising the experience, expertise and enthusiasm of the private sector to develop practical solutions to the challenges London faces and to lobby government for the investment that London needs in its infrastructure. London First delivers its activities with the support of around 250 of the capital's major businesses in key sectors such as finance, professional services, property, creative industries, hospitality and retail. Our members represent around a quarter of London's GDP.
2. London First recognises the importance of heritage to London's attractiveness and agrees that planning policy should protect it. This must be balanced with other objectives, in particular the need to accommodate economic and population growth and to support London as a world city.
3. The impact of the recession has been felt particularly acutely by the development industry with funding for new developments extremely constrained. The proposed changes will add further risk and uncertainty to the planning process and could result in further funding constraints.
4. The proposed changes are not consistent with the existing London Plan, the Mayor's initial proposals for the London Plan Review and Transport and Economic Development strategies. These strategies are based upon accommodating London's forecast economic and population growth on previously developed land in areas of good accessibility, and in particular in the Central Activities Zone (CAZ) and Opportunity Areas. The proposed changes to the LVMF would compromise this as well as the Mayor's ability to secure development contributions to Crossrail and where he is proposing to focus the charge on office development in the CAZ.
5. In addition to assessing changes to individual views and the guidance, it is critical to assess the cumulative impact of the proposed changes. It is estimated that the area affected by the changes will increase by 47%¹ and that the area covered by the Protected Vistas will increase by 34%². This is a substantial additional area in which development will be severely restricted; the cumulative impact of the proposed changes must be given careful consideration and assessed against the Mayor's other objectives.

¹ Hayes Davidson

² GMJ

6. London First is concerned that the proposed changes:
- Are inconsistent with the Mayor's existing and emerging strategies and policies and will compromise London's ability to accommodate economic growth by restricting capacity in the CAZ, at key transport nodes and in the Opportunity Areas;
 - Will limit opportunities to accommodate growth in areas with good transport accessibility, the key objective of the London Plan, transport and planning policy. This is particularly critical as further transport investment (beyond the tube upgrade and Crossrail) will be extremely constrained for the foreseeable future;
 - Will undermine the Mayor's ability to collect development contributions for Crossrail through s106, as required by the Crossrail funding agreement, as his proposed charge is focused on office growth in the CAZ; and
 - Will reduce investment in other transport and community infrastructure that would have been secured through planning obligations from development.
7. We consider that:
- The Mayor should assess the impact of the changes in light of his other policies and the London Plan objectives;
 - The Mayor should calculate the impact on his policy to collect development contributions;
 - The LVMF should be simplified and made consistent with the London Plan, maintaining the test to 'preserve or enhance the ability to recognise and appreciate landmark buildings' and removing all others; and
 - Clearer differentiation is needed between viewing corridors and consultation zones, both pictorially and in respect of the language regarding protection.

Our response addresses:

- Overall approach
- Evidence base
- Consistency with adopted policy and mayoral strategies
 - Impact on the CAZ
 - Importance of density in the CAZ
 - Impact on opportunity areas
- Transport impact
 - Development at transport nodes
 - Crossrail contributions
- Consistency of language with the London Plan
- Existing buildings and extant permissions
- Interpretation and application of policy
 - Background and Lateral Assessment Areas
 - Clarity of language
- Specific comments on the draft LVMF

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OVERALL APPROACH

8. Given the extent and impact of the proposed changes, and the need to fully understand and test them and their impact on the London Plan policy and objectives, we do not consider it appropriate to undertake such a fundamental review in a matter of months, more appropriate would be to make the changes as part of the London Plan review so that they can be fully tested and debated.
9. During the period in which the LVMF has been developed, since 2000, technology has advanced considerably and now enables accurate depiction of the strategic views. In light of the SPG, we urge the Mayor to investigate a web based tool freely and publically available to assist planning authorities, statutory consultees, communities and developers in understanding the implications of views. This would save time in the application process as the development limits would be established at the outset.

EVIDENCE BASE

10. Recent planning reform requires that planning policy is based on a clear evidence base. We do not consider that an evidence base has been provided to justify the changes to the LVMF, including any failure of the existing guidance, nor has an assessment been made of the implications of the changes.

CONSISTENCY WITH ADOPTED POLICY AND MAYORAL STRATEGIES

11. We do not consider that the approach taken in the revised LVMF is consistent with the Mayor's other adopted and emerging strategies (the London Plan, economic and transport strategies). In particular the objective to foster economic growth and maximising the opportunity from existing transport capacity (especially given the severe funding constraints for the foreseeable future).
12. The London Plan, to which the LVMF provides supplementary guidance, and the Mayor's stated intentions for the London Plan review, seek to accommodate population and economic growth, particularly in areas of good accessibility. The changes to the LVMF are not consistent with this.
13. In his foreword the Mayor states that he hopes the new LVMF 'better reflects the London Plan policies for protecting views of key landmarks and world heritage sites'. No evidence is provided to demonstrate that the LVMF as currently drafted does not provide sufficient protection.
14. The LVMF must reflect his objectives, as set out in his initial proposals for the London Plan review, in particular his vision for a London that:

"Excels among global cities expanding opportunities for all its people and enterprises, achieving the highest environmental standards and quality of life and leading the world in its approach to tackling the urban challenges of the 21st century."
15. The Mayor's objectives for the London Plan include:

"A city that meets the challenges of economic and population growth and an internationally competitive and successful city with a strong and diverse economy and an entrepreneurial spirit that benefits all Londoners and all parts of London; a city which is at the leading edge of innovation and research, while also being comfortable with – and making the most of – its rich heritage."

16. It is forecast, in the 'initial proposals' for the London Plan review that London's population will grow from 7.56 million to between 8.79 and 9.11 million by 2031; an increase of between 1.2 and 1.6 million people. The number of households is expected to increase by between 720,000 and 860,000. In the same period there is forecast to be an additional 650,000 jobs. The Mayor's initial proposals for the London Plan Review are predicated on accommodating this growth which has critical implications for planning policies, including the LVMF.
17. The two most important areas for accommodating London's economic growth are Opportunity Areas and the CAZ. Almost half (46%) of office employment growth is forecast to be in the CAZ (including Canary Wharf), equating to the need for an additional 246,000 jobs and 3.7 million m² of floorspace (London Plan table 3.1).
18. We have calculated (from London Plan data) that 54% of total employment growth forecast in the London Plan is expected to be accommodated within the Opportunity Areas, 29% within the CAZ. Over half the forecast employment growth expected in the Opportunity Areas is within the CAZ. Limiting growth in these areas through changes to the LVMF will therefore fundamentally restrict London's ability to grow.
19. Reducing development capacity in these areas will also reduce investment in transport and community infrastructure that would have been secured through planning obligations.

Impact on the CAZ

20. The proposed changes would constrain capacity in the CAZ, the most important area of the country economically. The importance of the CAZ is clearly articulated in "Rising to the Challenge", the Mayor's proposals for the economic development strategy. It is highlighted that [p 22]:

"One factor in London's attractiveness is London's Central Activity Zone, identified as being vital to world-beating businesses."
21. Alongside trade and globalisation London's success is attributed to [p16]:

"The agglomeration of a significant proportion of London's high value economic activity in the CAZ, where most of London's globally orientated business is conducted. GVA per head in inner London was £52,857, nearly three times as much as the national average. Only Manhattan and Tokyo rival central London's extraordinary wealth creation."

22. The CAZ is described as:

“a medley of distinct quarters; for example financial and business services mostly occupy the City, Canary Wharf and Mayfair; the focal point for retail and entertainment is the West End; legal and government activity is predominantly carried out in Holborn and Westminster; while the creative industries congregate around Soho, Covent Garden and Farringdon. Thirty per cent of London’s jobs are located in just two per cent of its land area. This concentration of economic activity and the associated high land values show that businesses are willing to pay a premium to locate near other firms. They pay to have unrivalled access to markets, labour and complementary businesses; executives from a company contemplating a global deal have immediate access to the top international financiers, lawyers and PR people. They all benefit from knowledge spilling over from firm to firm and sector to sector; this adds greatly to the centre’s higher productivity and makes companies willing to pay higher rents. The high land values also mean that London becomes a world leader in high value sectors, rather than low value ones such as mass production. Although technological advances enable companies to do more tele-working, the benefits of agglomeration are so great they are likely to want to remain based in the centre close to their customers, service providers, employees and competitors.”

23. In addition to financial services, the CAZ is home to the UK’s leading business services including legal services (with over 200 overseas law firms and the headquarters of four of the world’s six largest law firms) and accountancy.

Importance of density in the CAZ

24. London First was part of the steering group for “The economic impact of high density development and tall buildings in central business districts”, published by the BPF in August 2008. Undertaken by Colin Buchanan, the report highlights the significant economic benefits derived from increased commercial density in areas of good public transport accessibility: by improving productivity and knowledge transfer.

25. Increased density leads to increased productivity in five key ways:

- increased specialisation – there may be enough business to support a general accountant or lawyer in a small town but in a large city there is enough to support business advisers who specialise in very narrow fields of work thereby improving efficiency and expertise;
- knowledge spillovers, both between firms in the same sector and across sectors, leading to increased innovation;
- competition – the presence of lots of firms offering similar products spurs on competition, innovation and efficiency and there are lots of buyers to compete for;
- larger labour markets offer wide choices for employers and the opportunity to recruit staff with specialist skills;
- economies of scale are created by serving larger markets.

26. The research found that a doubling of employment density within a given area can lead to a 12.5% additional increase in output per worker in that area. For the service sector the figure is far higher at 22%.

27. Using a methodology in line with Department for Transport guidance, the research modelled the impacts of adding 80,000 employees to locations near key transport nodes in central London. The exercise was one of changing the distribution of employment, rather than total levels of employment. The economic benefit was equivalent to the annual output for each of those 80,000 workers increasing by £2,500 a year. A second scenario redistributing those 80,000 workers to less accessible parts of central London produced a decline in output equivalent to £1,600 a year for every one of those 80,000 workers.
28. Increased output, resulting from increased density, is an external, public benefit from agglomeration. In the model, around 6% of the agglomeration benefit accrues to the 80,000 'added' employees, while the remaining 94% accrues to other employees in the impacted boroughs – more generally accruing to UK plc. This benefit accrues only because of the change in the distribution of employment
29. Whilst employment density is not only achieved through height, in a highly constrained city this is frequently the only option. Constraining the ability to do this will have a profound impact on productivity and GDP.

Impact on Opportunity Areas

30. Opportunity Areas are designated because of their accessibility, ability to accommodate growth and need for investment and regeneration; and are an important part of the London Plan strategy to ensure London can sustainably grow. However, the proposed changes to the LVMF will critically limit development potential in the Opportunity Areas including Vauxhall/Nine Elms/Battersea, Waterloo, Elephant and Castle, Euston, Victoria, King's Cross and Tottenham Court Road. In these areas tall buildings will be important to catalyse development and act as landmarks to trigger regeneration.
31. Many of these are regeneration areas which would benefit from their development physically, through provision of facilities and services and through employment opportunities.
32. Recognition should be given to the objectives for Opportunity Areas when considering views that affect them to ensure that heritage considerations are balanced with the need for investment and regeneration.

TRANSPORT IMPACT

33. The proposed changes; undermine policy to focus growth at transport nodes and areas with good accessibility, which will be increasingly important in light of severe funding constraints which will limit transport investment for the foreseeable future; and will reduce the Mayor's ability to collect s106 for Crossrail.

Development at transport nodes

34. The London Plan is predicated on accommodating growth and focusing this growth on areas of good public transport accessibility. The Mayor has signalled that he wishes to maintain this approach. He has also made clear that it is unrealistic to expect funding in the foreseeable future for transport investment beyond the tube upgrade and Crossrail. It is therefore critical to maximise the opportunities in areas of existing good accessibility. This makes it even more important to focus growth in areas of existing good accessibility, in particular in the CAZ and Opportunity Areas.

35. However, the proposed changes would reduce the scope for development in much of the CAZ, which has the best accessibility in London, and in particular in at Euston, Victoria, King's Cross and Waterloo: all major transport nodes. It will also limit potential at central London's Crossrail stations.
36. This will be extremely damaging to the prospects of accommodating growth, especially as investment in public transport will be constrained for the short and medium term. It is therefore vital to maximise the opportunity from existing areas of high accessibility and new opportunities from Crossrail.

Crossrail contributions

37. The Mayor's proposed Crossrail charge is focussed on office development in the CAZ. It is therefore critical that an assessment is made of the impact of the proposed changes to the LVMF on raising the £300 million, given that it will severely constrain office development in the CAZ and he is required by the heads of terms for funding Crossrail to raise £300 million from s106.
38. Part of the evidence base should include a calculation of how much development will be choked off as a result of the changed policy and the implications for meeting the commitment for Crossrail funding.

CONSISTENCY OF LANGUAGE WITH THE LONDON PLAN

The language in the LVMF should be consistent with that of the London Plan. There are numerous different tests included in the draft LVMF against which it is proposed that development should be assessed. We consider that the document should be redrafted to be consistent with London Plan Policy 4B.18 and to be clearer and more concise. The test for proposals should be, as in Policy 4B.18 to "preserve or enhance the ability to recognise and appreciate landmark buildings" .

EXISTING BUILDINGS AND EXTANT PLANNING PERMISSIONS

39. We appreciate the aspiration to see existing buildings which breach development planes in viewing corridors demolished and replaced with lower buildings. However, it is unrealistic to assume that taller buildings will be replaced with lower buildings on redevelopment and in reality existing buildings are likely to be retained and refurbished, sterilising redevelopment opportunities.
40. This is critical not only for redevelopment of buildings for economic reasons, but also in the case of accidental loss. Property insurance covers the cost of reinstating damage as well as the loss of rent during the time the tenants cannot occupy. However, if the LVMF prevents reinstatement of the existing height the owner will not have met the reinstatement obligation to the tenant or the bank, and the investment value of the property will be diminished. Whilst some policies may have limited provision for loss of market value, the sum insured is normally set at the rebuilding cost. There may be a considerable shortfall between that and the market value.
41. The cover might give some provision for rebuilding on a different site, but it is not usually designed to allow the existing building to be reinstated as far as possible, with the balance of the proceeds used to develop, or even buy, an additional property to top up the combined investment value to that preceding the damage.

42. The rent insurance will usually be based on a number of years that reflects the time it would take to reinstate. The delays and potential tenant loss that would follow this scenario would leave the owner, and the bank, out of pocket for far longer, if not forever.
43. It should also be assumed that extant planning permissions will be implemented.
44. We also consider that a more qualitative approach should be taken to buildings within the shadow of existing buildings in viewing corridors and judgement made on a case by case basis as to the likelihood of the building which breaches the threshold plane being redeveloped. A blanket restriction on buildings in the shadow of others is too simplistic and unnecessarily restrictive.

INTERPRETATION AND APPLICATION OF POLICY

Background and Lateral Assessment Areas

45. We understand that the intention of the Mayor is that the purpose of the background assessment areas (BAA) and lateral assessment areas (LAA) is to trigger consultation (as distinct from the viewing corridors where development is precluded above the threshold plane). The guidance should make this explicit, especially as boroughs frequently fail to differentiate between the treatment of applications in the consultation zones and viewing corridors.
46. The distinction should be clarified in the LVMF with greater differentiation pictorially and in the text. The consultation zones should be depicted in yellow, all unnecessary text on managing development (such as reference to 'minor intrusions' [paragraph 58]) should be removed and they should not be referred to collectively as 'protected vistas.' We consider that titles should be amended to properly reflect the different parts of the views, for example: " Viewing corridor"; "Landmark" and "Landmark Assessment Areas".
47. The background assessment areas (BAA) could be more realistically set using modern technology to reflect what is actually visible. For all views the BAA is set at 3.5km irrespective of the distance from the viewing point and landmark and gradient between the two. A more tailored approach is appropriate.

Clarity of Language

48. It is critical that the guidance in the SPG is clear, consistent, unambiguous and easily understood by planning authorities, applicants and consultees. We have highlighted in our response where we do not consider this to be the case, or where new concepts have been introduced that are not adequately explained . In some cases what appears to be the same issue is described differently (e.g. impact on the silhouettes); unless there is a reason for this the language should be consistent. As stated above, the principle should be for the language to be consistent with the wording of the London Plan.
49. For consistency with other planning policy, reference should be made to 'planning applications' not 'development applications'.

SPECIFIC COMMENTS ON THE DRAFT LVMF

50. We are concerned that the draft (paragraph 9) gives undue and inappropriate weight to guidance that might be prepared by other parties, with CABE and English Heritage specifically cited. Such guidance will be a material consideration and will therefore be taken into account in the decision making process. It is therefore not necessary or appropriate to make specific reference to it within the LVMF, especially as there may be instances where this guidance may not accord with London Plan policy. This paragraph should therefore be deleted.

Conformity with local policies

51. We question the need to keep photographic records of the construction of buildings within views (paragraph 15).
52. We question the need (in step two) for applicants to expand on the view's composition in applications.

Assessment process and consultation

53. The scoping box states that the LVMF should not manage development outside the 120 degree view. This is less clear later in the document, including the diagram on page 20.
54. Paragraph 17: a proposal that is not consistent with the London Plan policies 'is likely to be' rather than 'should' be refused.
55. The document (paragraph 23) increases the emphasis on bodies including Royal Parks, WHS Management Committees, Historic Royal Palaces and St Paul's. We do not consider it appropriate to confer the same status on them as English Heritage and CABE who are statutory consultees.
56. We do not agree that reasons for approval are required (paragraph 27).

View Management

57. Applications that do not comply with the guidance should normally be refused, not will be (paragraph 32).
58. We do not agree that authorities should be able to identify additional assessment points (paragraph 38).
59. The term 'general skyline' (paragraph 41) is poorly defined.

Visual Management Guidance

60. Explanation is needed of how 'development investment provides the opportunity to restore, complete or improve' 'areas of poor and unresolved townscape' and what poor and unresolved townscape means (paragraph 53).
61. Where additional development is allowed in existing clusters (paragraph 54), greater definition is needed of what is 'appropriate height' (presumably in relation to the existing tall buildings?) and how proposals will 'demonstrably enhance' the cluster.

62. It is unrealistic to assume that existing buildings within a view will be voluntarily demolished and replaced with a lower building. It should be clear that existing buildings subject to accidental loss can be replaced with buildings at the same height (paragraph 57). The implication of a prohibition on redevelopment is to fossilise existing buildings which is extremely damaging economically and would preclude opportunities to improve the design and sustainability of buildings.
63. Rather than 'previously consented schemes' it is more appropriate to say extant planning permissions (paragraph 61).
64. Paragraph 62 should make it clear that it is referring to adverse changes to the silhouette of the World Heritage Site.
65. The requirement that development in the background of London panoramas 'should contribute to enhancing the skyline of London and be of high quality and execution' is unclear and ambiguous (paragraph 66).
66. The introduction of the need to 'preserve and enhance' linear views (paragraphs 68, 69) represents a new policy requirement and is arguably not possible to achieve: a development can preserve or enhance a view, not both. This should therefore be changed to 'preserve or enhance' which is achievable and consistent with other views.
67. 'Respect and enhance' (paragraph 74) is a new concept and is not defined.
68. It is unclear what is meant by ensuring that the 'juxtaposition between elements, including the river frontage and landmarks is appreciated within the wider London context' (paragraph 75) and that 'development in the fore and middle ground of the river prospects must enhance the juxtaposition of townscape elements with the riverbanks and the depth and variety of the surrounding London townscape' (paragraph 76).
69. It is unclear what is meant by development conforming with and enhancing the composition of the townscape ensemble (paragraph 81).
70. It should not be possible to identify new landmarks such as church spires in the City as suggested (paragraph 229).