

## London needs a plan

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The chancellor and the mayor of London have confirmed 'Housing Zones' for the capital but we need more detail on how to deliver 400,000 homes by 2025



On 19 February 2015 the chancellor George Osborne and the mayor of London Boris Johnson announced details of their long-term economic plan for London. Part of the plan is to create a London Land Commission to address the capital's acute housing crisis, with nine initial "Housing Zones" being identified for new homes. It is great that increasing London's housing supply appears to have been placed at the forefront of the government's agenda, but the government and the construction industry must now work together to ensure this impressive plan is actually achieved.

We are told that the London Land Commission's key role will be to support London in building over 400,000 new homes by 2025, through identifying public sector land for development that will help London develop the equivalent of 100% of its brownfield land by 2025. However, we await details of how this will be accomplished.

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A significant barrier to building 400,000 homes will be the sheer lack of construction industry resources in the professions and trades. The London Chamber of Commerce and KPMG's Skills to Build report published in November 2014, made clear that at least 20% more construction workers will be required to deliver pipeline work between 2014-2017, than were needed in the 2010-2013 period. It is encouraging to see that the London economic plan discusses a skills deal that would result in the devolution of the Apprenticeship Grant to Employers and a remit to work with government to reshape skills provision in London, but there must be a more specific focus on construction skills if 400,000 homes are to be delivered.

To help meet this target offsite construction will need to play a key role. The government should immediately start working with the building industry to embrace more efficient offsite methods, and support the offsite construction industry with increased investment. As a business we see offsite construction as an additional route for delivery, supplementing but not replacing the traditional supply chain.

A major concern around the 400,000 homes target is the lack of clarity around the tenure and type of this new housing. A significant percentage must be affordable for lower income workers who keep central London functioning, rather than high cost apartments. This is essential for London's long-term economic growth.

Delays in the planning system still act as a restriction on the delivery of London housing schemes. However, a move towards increased devolution giving more power to Londoners is positive, and may help resolve some of the issues within the planning system.

In short, the mayor and the chancellor's announcement is optimistic but lacks detail beyond the nine confirmed "Housing Zones". In addition, the upcoming general election, and the London mayoral election means that the long-term economic plan for London, though ambitious, cannot be taken seriously until we know the outcome of these elections. Let's hope that progress on furthering London's economic growth and solving its housing crisis will continue to be made in the interim.

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