

Appendix PV14

FALP Examination Inspector's Report paragraph 21, 25, 31, 34, 35,
36, 40, 42, 56, 57, 58

Report to the Mayor of London

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an Inspector appointed by the Secretary of State for Communities and Local Government

Date: 18 November 2014

GREATER LONDON AUTHORITY ACT 1999

PART VIII

REPORT ON THE EXAMINATION IN PUBLIC INTO THE FURTHER ALTERATIONS TO THE LONDON PLAN

Examination in Public hearings held between 1 and 18 September 2014

File Ref: SDS0024

me to be a fair and thorough assessment of the proposed alternatives. I am, therefore, satisfied that the IIA complies with the regulations.

17. The production of the FALP was also informed by a Habitats Regulations Assessment¹² (HRA). The HRA concludes that the new and amended Opportunity Areas are too far away from any European designated sites to have any significant impacts. With regard to the remainder of the alterations, the HRA concludes that subject to changes to Policy 7.19, the FALP will not result in any additional effects to those identified and mitigated within the 2009 HRA. The requisite changes to Policy 7.19 have been made. The HRA's conclusions are not meaningfully challenged and I have neither heard nor read anything to suggest that they are not robust.

Issue 2 – Given that the FALP sets out the objectively assessed housing need for London should London Boroughs be required to undertake their own assessments?

18. The NPPF at paragraph 47 requires local planning authorities to, amongst other things, *'use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area'*. The guidance in the NPPF regarding plan making is silent with regard to how responsibilities should be divided in a two tier system as exists uniquely in London. The London Plan is part of the development plan for London and, in my view, it must be right that read together with the development plan documents produced by London Boroughs, the development plan should be consistent with national policy.
19. However, in a two tier system there should be no need for each part of the development plan to include the full range of policies necessary to accord with all parts of the NPPF or PPG, provided that together they do (as far as is necessary) and are consistent with national policy. The PPG advises that there should be no need to reiterate policies that are already set out in the NPPF in Local Plans¹³. It seems to me that the same principle should apply to a spatial development strategy. Further, to avoid unnecessary duplication and potential confusion, there should be no need for a local plan in London to reiterate policies set out in the FALP.
20. Section 334 of the GLA Act requires the Mayor to prepare a spatial development strategy. That plan must include a statement formulating the Mayor's strategy for spatial development for the use of land in Greater London. Housing need, supply and distribution are undisputedly strategic matters in London. I conclude below that the Mayor's estimate of objectively assessed housing need in London is justified by the evidence submitted to the EiP. Further, although I have reservations, I also consider that the FALP's strategy with regard to supply and distribution can be supported in the short term.
21. Once adopted, statute will require the local plans produced by London Boroughs to be in general conformity with the FALP. That includes conforming with a strategy which seeks to meet London's needs on brownfield land within the existing built up area. The SHLAA identifies most of the existing capacity

¹² FA/CD/05

¹³ Reference ID:12-010-20140306

and, effectively, through the SHLAA, the FALP has determined the extent to which individual Boroughs can contribute to meeting the strategic need for housing across London. Within the confines of the FALP's strategy there is little scope to do more.

22. I acknowledge that the NPPF requires each local planning authority to identify its own objectively assessed housing need. However, in my view, it is the role of the spatial development strategy to determine the overall level of need for London and to guide the distribution of new housing to meet that need. The Mayor points to the acceptance by previous EiP Panels that London constitutes a single housing market area with sub markets which span Borough boundaries. The Mayor also points to the findings of the High Court¹⁴, following a challenge to the Revised Early Minor Alterations to the London Plan, within which in his (undisputed) opinion, the Court accepted that although local variations exist, this did not compromise the view that London constitutes a single housing market area¹⁵.
23. Other than some fine tuning regarding local need relating to the size and type of property and tenure, there is no need, in my view, for each London Borough to duplicate the work done by the GLA and produce their own individual assessment of overall need. **IRC1** recommends that the FALP is changed to reflect this approach by removing references to London Boroughs needing to identify objectively assessed need with regard to the quantum of new housing in their areas.

Issue 3 – Whether the FALP's strategies, targets and policies will enable London Boroughs to meet the full, objectively assessed needs for market and affordable housing in Greater London.

The overall need for new housing

24. The PPG advises that the starting point in assessing objectively assessed need for new housing should be the latest household projections produced by the Department of Communities and Local Government (DCLG)¹⁶. However, the PPG also recognises that DCLG's projections may require adjustment to reflect factors affecting local demography. The Mayor has chosen not to rely on DCLG's projections for reasons set out in detail in his statement to the EiP¹⁷. In brief, the Mayor considers that the methodology underpinning the Office for National Statistics (ONS) 2011 subnational population projections (SNPP) has led, in London, to distorted projections of births, deaths and internal migration flows.
25. The Mayor's approach to population projections was explained at the Technical Seminar and is set out in FA/KD/03g. The GLA's assessment is thorough, based on sound methodology and on logical assumptions. The Mayor's contention that the GLA's population projections have proven to be more accurate than the 2011 based SNPP when measured against the ONS mid-year population data is not disputed. DCLG's household projections for London are based on the 2011 based SNPP and, in the circumstances, I am satisfied that

¹⁴ FA/BD/99

¹⁵ 01/Session 2, paragraphs 2b3

¹⁶ Reference ID: 2a-015-20140306

¹⁷ 01/Session 2, paragraphs 2a3 to 2a19

the Mayor is justified in carrying out his own assessment. The projections are also used by TfL, by many London Boroughs with regard to projected school rolls and to inform other Mayoral strategies. The benefits of using a consistent set of statistics to inform the wide range of plans and strategies being implemented across London weighs in favour of the Mayor's approach.

26. The GLA accepts that there is a significant degree of uncertainty regarding the impact of the recession and recovery on migration. Net domestic out migration from London fell from around 70-80,000 per annum (pa) pre 2008 to 32,000 pa the year after. Levels have begun to increase as the economy has recovered but the trend is difficult to predict. The reasons for this are set out in the SHMA¹⁸ and are far too long and complicated to go into in detail here but are mainly due to difficulties in obtaining accurate/reliable data and the volatility of migration flows which can be affected significantly by changes in the economy, government policy and world events.
27. The SHMA considered three migration scenarios, one based on migration trends being unaffected by the economic recovery, the second assuming a return to pre-recession 'norms' and the third, mid-way between the other two representing a partial return to previous trends. These scenarios resulted in London's population being estimated to rise from 8.2m in 2011 to between 9.8m and 10.4m in 2036. The high and low variants are both plausible and the Mayor is criticised for choosing the central path. However, given the inherent uncertainties set out above and the tentative state of the economic recovery, it seems reasonable not to plan on the basis of the 'extremes'.
28. The central projection assumes that London's population in 2036 will be 10.11m. The GLA's demographers then applied the same methodologies and assumptions used by DCLG to formulate household projections. The outcome is that meeting London's objectively assessed need (including the backlog) over 10 years would require a build rate of 62,000 dwellings per annum (dpa). Meeting need over 20 years would require a rate of 49,000 dpa.
29. Concerns are raised by community groups that the SHMA does not take sufficient account of affordability and does not distinguish between affordable rent, social rent or take sufficient account of minority groups. However, the SHMA complies with the PPG with regard to the assessment of affordable housing and also includes assessments of groups such as students, the disabled and the elderly. The SHMA does not refer to market signals but does recognise the significant problems of affordability in London.
30. The GLA acknowledge that the projections are uncertain, particularly with respect to migration, and this is the main reason why a review of the Plan is planned to start in 2016. However, it seems to me, having considered all the evidence and the submissions, that they are reasonable and probably the best available assessment of objectively assessed housing need for London at this time.

Will the FALP deliver enough homes to meet the identified need?

31. Table 3.1 of the FALP sets targets for the London Boroughs which total 42,389 dpa, around 6,600 dpa short of what is necessary to meet objectively

¹⁸ FA/KD/09, paragraphs 3.10 to 3.34

assessed need over 20 years. The Mayor expressed confidence at the hearings that; by maximising opportunities in town centres, on surplus Strategic Industrial Land (SIL) and in Opportunity Areas, 49,000 dwellings a year could be granted planning permission but was unwilling to commit to increasing the target.

32. Paragraph 3.18 of the FALP warns London Boroughs that for their local plans to be found sound '*they must demonstrate they have sought to boost supply significantly by meeting the full objectively assessed needs for market and affordable housing in the housing market area*'. FSC3.1 and FSC3.3 introduce a requirement for London Boroughs to, amongst other things, meet the target set out in Table 3.1, relate this to their own assessment of need and address any gap between supply and need by seeking to exceed the target. It goes on to state that this should be done by, amongst other things, finding additional sources of supply and through the duty to co-operate.
33. The GLA's officers stated at the EiP that they would work with the Boroughs to increase supply and to ensure that local plans are in general conformity with the FALP. However, in order to be in general conformity with Table 3.1, Boroughs need only meet their individual targets. In the absence of any clear guidance as to exactly how and where the additional 6,600 dpa will be found it is difficult to see how a housing target in a local plan would not be in general conformity if it made provision for the figure in Table 3.1 and no more. There is no mechanism in the FALP to indicate how the 6,600 dpa would be apportioned or distributed. Without this I do not see how the Mayor can guarantee the delivery of the additional 6,600 dpa necessary to meet the identified need.
34. I say above why I do not consider that London Boroughs should be required to carry out their own assessments of overall need. I consider the SHLAA in more detail below but, for the reasons given, I find that it provides a reasonably accurate picture with regard to capacity. It is not easy to see, therefore, where London Boroughs would find additional sources of supply. Capacity could be increased but I have significant concerns regarding whether higher densities can or should always be sought or achieved¹⁹.
35. The PPG advises that the degree of co-operation between boroughs will depend on the extent to which strategic issues have already been addressed in the London Plan²⁰. Further, given that the minimum targets in Table 3.1 are based on the SHLAA's estimate of capacity in each Borough, it is difficult to see how co-operation between them will increase supply. Table 3.19 of the SHLAA compares the capacity within Boroughs to the 2012 DCLG household projections. In all but 9 Boroughs the projections exceed capacity with a total annual shortfall of 10,200. Outer Boroughs could seek help from their neighbours beyond the GLA boundaries but the FALP is not predicated on such an approach.

¹⁹ Higher than the densities set out in the Sustainable Density Quality (SRQ) Density Matrix (London Plan Table 3.2, unchanged by the FALP)

²⁰ Reference ID: 9-007-20140306

The Strategic Housing Land Availability Assessment

36. The figures in Table 3.1 derive from the SHLAA. The SHLAA is London wide, it is a huge undertaking and given the number of sites, it would be unrealistic to expect 100% accuracy. Questions are raised with regard to the treatment of small sites and the assumptions made about the delivery and timing of others. The Mayor worked with the London Boroughs and others in the production of the SHLAA and its results are generally supported. It is argued that the estimates for small sites do not take local conservation and character designations into account. However, the estimates are based on the figures for such development over a 10 year period and, unless local designations are new, should have taken their impact on development into account. The 10 year trend also includes the recession and, in the absence of any alternative London wide analysis, I consider the small sites figures in the SHLAA to be a reasonable assessment of capacity. With regard to large sites, I have neither heard nor read anything to lead me to question the Mayor's assertion that the assumed capacity figures are policy compliant²¹ and that the SHLAA incorporates sensitivity testing. Consequently, I consider that the SHLAA provides a reasonable estimate of capacity.
37. It is not enough to identify capacity. Delivery is critical to meeting the pressing need for new housing in London and one must consider whether and when these sites will deliver the number of homes envisaged in the SHLAA. The SHLAA identifies sites with planning permission and those allocated in development plans. Although it is reasonable to consider sites with planning permission as commitments, the Mayor's 'Barriers to Housing Delivery – Update' of July 2014²² looked at sites of 20 dwellings or more and reports that only about half of the total number of dwellings granted planning permission every year are built. This can also be seen in Table 3.20 of the SHLAA which shows average completions between 2004-2012 of 24,694 pa compared to an average of 58,167 dwellings permitted each year.
38. The average rate of 24,694 between 2004 and 2012 included the pre-recession boom years. The average rate only fell to 23,281 between 2008-2012 indicating that the recession did not hit the house building industry in London as hard as it did elsewhere (and also indicates that the average pre-recession rates can't have been much higher than 24,694). This puts an annual target of 42,000 dpa in context and illustrates that achieving it would represent a significant increase above historical levels.
39. The SHLAA includes a sophisticated phasing system which identifies committed, allocated and other high probability sites in phases 2 and 3 (2015 to 2025, Phase 1 being up to 2015). However, most of the sites in the SHLAA are previously developed. Many are occupied by existing uses and/or are contaminated or have other constraints such as multiple ownerships or environmental issues²³. It will take time for these obstacles to be overcome (and money). Opportunity Areas provide a large chunk of the capacity but will not be delivered quickly. Further, the new targets in Table 3.1 will also need to be worked through to new allocations in Borough's Local Plans.

²¹ For example; amenity, open space and social infrastructure requirements, environmental or heritage matters and flood risk.

²² FA/BD/103

²³ FA/KD/10

40. Even if it can be achieved, 49,000 dpa meets objectively assessed needs (and backlog) over 20 years. The PPG states that local planning authorities should aim to deal with any undersupply in 5 years²⁴. No build rate figure is given to indicate how many new homes would be needed to address the undersupply in 5 years but, as stated above, the rate would need to be 62,000 dpa to meet London's needs in 10 years. That is the total need to 2025 not just undersupply but it is highly likely that the number of homes required to meet need and the undersupply in 5 years would be greater than 49,000 dpa.
41. Reaching 49,000 dpa requires densities to be increased. The Mayor argues that an increase in one PTAL level²⁵ justifies an increase in assumed density. That may be so but it depends on the infrastructure being put in place to improve accessibility. I heard and have no doubt that TfL are working hard to improve London's transport system but it will not be achieved overnight nor will all areas benefit. The impact on increasing densities on townscapes²⁶, existing communities and on social and physical infrastructure also needs to be considered.
42. It cannot be assumed, in my view, that it will be appropriate to increase densities over the existing Density Matrix guidelines in all cases. Town centres are accessible locations but each has its own character which new development should respect. Opportunity Areas and large sites have the potential to determine their own character and identity but they should still have regard to their surroundings. Meeting the pressing need for housing in London will require new, innovative and possibly unpopular solutions but care must be taken not to damage its environment such that it becomes an unpleasant place to visit, live and work.

Affordable Housing

43. The FALP makes few changes to the London Plan's policies relating to affordable housing. The most significant being; increasing the annual target from 13,200 to 17,000 affordable homes per year, changes to the income thresholds and the application of eligibility criteria for intermediate housing and requiring developers to submit appraisals to demonstrate that they are maximising the provision of affordable housing. The definition of affordable housing is not changed and is not a matter for the EiP.
44. The Mayor acknowledges that the FALP target falls short of the need for 25,600 affordable dpa identified in the SHMA. There are calls to increase the target and to require developers to accept higher proportions of affordable houses but the target must be realistic and viable and plans must be deliverable²⁷. The Viability Assessment which accompanies the SHLAA²⁸ assumed, amongst other things, that affordable housing would be provided in accordance with existing policy requirements. 17,000 dpa represents about 40% of the 42,389 dpa target set in Table 3.1 which is consistent with the proportion set in the current plan (overall target; 32,210 - affordable housing target; 13,200). The viability assessment is a high level study and there may

²⁴ Reference ID: 3-035-20140306

²⁵ Public Transport Accessibility Level

²⁶ Including the historic environment

²⁷ NPPF, paragraphs 173 to 177

²⁸ FA/KD/11

be opportunities for achieving more. However, I am satisfied that the assessment demonstrates that the 17,000 dpa target can be achieved without putting the delivery of housing at risk.

45. The FALP increases the upper income limit for eligibility for intermediate housing from £64,300 to £66,000 for one and two bed homes and from £77,200 to 80,000 for 3+ beds. In both cases the lower end of the range is unchanged at £18,100. The upper thresholds are set by dividing the lower quartile London house price by 3.5 (a typical mortgage multiplier).
46. The Mayor accepted at the EiP that in certain parts of London people earning below the upper threshold could afford housing on the open market. The NPPF defines affordable housing as '*social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market*²⁹'. It goes on to state that; '*Eligibility is determined with regard to local incomes and local house prices*'. The income eligibility thresholds set in the FALP are based on London wide house prices and, although the GLA argue that there are safeguards in place to prevent affordable housing 'tourism', the approach to intermediate housing in the FALP does not accord with national guidance.
47. The FALP deletes text which allowed eligibility criteria to be set locally to recognise the individual characteristics of local housing markets. London Boroughs would still be able to set local criteria but I consider that the deleted text provides greater clarity and should be reinstated with the FALP thresholds becoming the default position where local income criteria are not set (**IRC2**). Where local eligibility criteria are set the FALP limits their application to 3 months from the point of initial marketing. Some London Boroughs contend that 3 months is too short but I agree with the Mayor that it is important that homes that can meet a need do not stand empty. Boroughs should, through Section 106 Agreements, be able to require developers to notify them in advance of or agree a date for marketing and ensure that local people are aware. However, I do agree that Boroughs should be able to apply local eligibility criteria at the point of re sale or re let (**IRC2**)³⁰.
48. The requirement for developers to provide appraisals to demonstrate that schemes maximise the provision of affordable housing is welcomed. I understand the frustrations expressed by many representors but it is not possible to require developers to divulge commercially confidential information.

Housing for the elderly

49. According to 'Assessing Potential Demand for Older Persons Housing in London'³¹ there is an annual net requirement for 3,900 specialist homes for the elderly (2015 to 2025). The authors used data from the 2011 census to produce individual benchmarks for each London Borough and these are set out in Table A5.1. The table also gives an indication of tenure split.

²⁹ Annex 2: Glossary

³⁰ I asked further questions regarding intermediate housing after the close of the hearings. See FA/EX/77.

³¹ FA/KD/13

50. The data supporting the benchmarks is challenged and I have seen evidence from one London Borough which indicates that the number of care home beds in its area may have been underestimated. However, there can be no doubt that we have an aging population and the Mayor's study reports a lack of new schemes and that a significant amount of the existing affordable rented stock is not fit to house frail older people. Further, the indicative benchmarks in Table 5.1 have been produced to inform the production of local plans and are not targets. The glossary to the FALP includes a definition of specialist housing for older people which should aid Boroughs both in formulating their strategies and in monitoring. It is right, in my view, that the FALP should provide strategic guidance in this regard and require London Boroughs to identify and address the needs of the elderly.

Student accommodation

51. The Mayor's Academic Forum³² considered issues including student numbers, types of provision and distribution and made a number of recommendations to be carried forward into the FALP³³. Not all the members of the Forum agreed with its recommendations and I heard from some who consider the requirement for between 20,000 to 31,000 (2015 to 2025) bed spaces to be too low. I appreciate that the data used by the Forum is around two years old. However, its recommendations are based on a thorough analysis of past and current student numbers, population projections and an evidence based assumption of the proportion of the student population that would be accommodated in purpose built accommodation³⁴. I have seen no equally thorough analysis and am satisfied that the FALP's target is supported by reliable evidence.
52. The FALP encourages a dispersal of student accommodation away from the areas of greater concentration in central London. I appreciate the advantages of students living close to their place of learning but student housing has the potential to contribute to the regeneration and diversification of town centres and to the FALP's aim of addressing London's housing needs by increasing densities in town centres. Student accommodation operates differently to normal rented accommodation and securing and providing affordable student housing provides unique challenges. However, I don't doubt there is a need and it is not for the FALP to set out the detailed mechanisms for securing affordable student accommodation.

Other matters

Housing Standards Review

53. In response to a suggestion from the Secretary of State³⁵ the Mayor proposes a minor change to the Overview and Introduction chapter of the Plan to indicate that a minor alteration will be made at the appropriate time to align the Plan with the Review³⁶.

³² The Forum includes representatives from universities, London Boroughs and providers of student accommodation.

³³ FA/KD/14

³⁴ For a more detailed explanation of the approach see FA/BD/14 or 01/Session 4, paragraphs 4b1 to 4b20

³⁵ FA/EX/67

³⁶ FA/EX/65

London's Living Spaces and Places

54. The FALP's housing target and the need to provide the schools, jobs, health services and other infrastructure to support this increase in new homes will put significant stress on London's existing built environment and its communities. The Plan includes policies which seek to protect local character, heritage assets, open spaces and to create attractive lifetime neighbourhoods³⁷ with the facilities communities need and, in theory, therefore, the FALP includes the tools to ensure that growth is properly managed. However, the Mayor's representative conceded at the EiP hearings that there would be winners and losers. I am concerned that the strategy of accommodating the development necessary for London's growth within its existing built confines³⁸ will place unacceptable pressures on the city's communities and environment.

Conclusions

55. I am satisfied that the Mayor's population and household projections, SHMA and SHLAA are based on good evidence and robust methodology. The household projections and the SHMA point to the urgent need to address the requirement for new housing in London. The GLA is exploring ways to address the need and through the FALP seeking to provide a solution. In addition to the measures described above the Mayor is seeking to reduce the number of vacant homes and encouraging alternative sources of supply such as self build and the private rented sector which can deliver houses faster than traditional build for sale schemes. This is to be supported as is the focus on regeneration and meeting London's needs through the development of brownfield land. However, the strategy has significant and potentially serious implications for delivery and for existing communities which will have to face the consequences of intensifying development in the existing built up area.
56. The targets set in Table 3.1 will not provide sufficient housing to meet objectively assessed need and I am not persuaded that the FALP can ensure that the additional 6,600 dpa will be delivered. Nor do I consider that the Mayor can rely on paragraph 47 of the NPPF or the duty to co-operate to make London Boroughs provide more. It is not enough to grant planning permissions, homes have to be built and the target rate of 42,000 dpa is significantly higher than has been achieved since 2004 and the boom years before the recession.
57. The evidence before me strongly suggests that the existing London Plan strategy will not deliver sufficient homes to meet objectively assessed need. The Mayor has committed to a review of the London Plan in 2016 but I do not consider that London can afford to wait until then and recommend that a review commences as soon as the FALP is adopted in 2015 (**IRC3**). In my view, the Mayor needs to explore options beyond the existing philosophy of the London Plan. That may, in the absence of a wider regional strategy to assess the options for growth and to plan and co-ordinate that growth, include engaging local planning authorities beyond the GLA's boundaries in discussions regarding the evolution of our capital city.

³⁷ Including significant changes to Policy 7.15 relating to managing the impact of noise, which subject to the Mayor's proposed changes, I support.

³⁸ FA/EX/08; Deputy Mayor's Opening Address

58. Non adoption of the FALP would result in the retention of the existing housing targets in the London Plan (32,210 dpa³⁹) which are woefully short of what is needed. Despite my reservations, therefore, I consider that, subject to a commitment to an immediate review, the FALP should be adopted as not to do so would perpetuate the existing under delivery by not requiring Boroughs to increase supply.

Issue 4 – Whether the FALP's strategies and policies enable London Boroughs to meet the need for employment in Greater London.

59. The FALP does not set a target for employment but predicts that the number of jobs could increase from 4.9m in 2011 to 5.8m in 2036⁴⁰. Community groups question the assumptions made in arriving at this figure and the reliance on a survey carried out in 2009 (a more recent study relating to offices was published in 2014). The Mayor acknowledges that predicting levels of employment is not easy but, based on historical trend data, is confident that the projected level of growth over the plan period is as accurate as it can be. With regard to the 2014 office study, uncertainties over forecasts for office floor space and density assumptions led the GLA to conclude that it was safer to rely on the long term trends. I have neither heard nor seen anything to lead me to doubt the Mayor's assertion that past historical projections have performed reasonably well. Further, The City of London and industry representatives support the FALP projection.
60. Historic data also captures the interconnections between the different sectors of London's complex economy. I have seen no evidence to show that the FALP ignores small businesses or the contribution they make. I heard complaints that small businesses are being squeezed out but the London Plan encourages and supports diversity, small businesses and local economies and the provision of suitable work spaces in terms of type, size and cost. Representatives argue that the Mayor does not have an understanding of micro economies and the benefits arising from small businesses being located close together. However, I have seen nothing to suggest that the projections are not based on data relating to the whole economy. Further, the FALP is a strategic plan. The NPPF requires local planning authorities, in preparing local plans, to demonstrate an understanding of the needs of businesses in their area and I see nothing in the FALP to prevent them from doing this.
61. Policy 4.4, which seeks to ensure the provision of a sufficient stock of land and premises is not proposed to be changed but a change to paragraph 4.23 would allow the release of surplus industrial land. This accords with national policy⁴¹ and the need for housing is such that it would be wrong to prevent the re use of industrial land which has no reasonable prospect of being used for employment.
62. In response to the loss of small scale offices to higher value residential and the recommendations of the London Office Review Panel, Policy 4.3 is proposed to be altered to enable Boroughs to protect small scale offices within the Central Activities Zone (CAZ). The policy would also require residential development in the CAZ to compensate for the loss of offices by contributing

³⁹ Table 3.1; 2011 London Plan

⁴⁰ Paragraph 1.24

⁴¹ NPPF, paragraph 22