

Building Trust: Insight Paper on Good Growth

by Prof Tony Travers

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Foreword:
James Cooksey
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The West End is the beating heart of the capital: a global centre of commerce and innovation; and the destination for millions of workers and visitors. But we must not forget that Westminster is also home to more than 250,000 people.

It is also a place of contradictions where significant wealth jars against real poverty. Perhaps this is a reflection of wider society, but many would argue that these contradictions have increased in recent years.

We must therefore ensure that the success of Westminster continues in a way that delivers benefits to the local communities in which we work. Investment and development should bring prosperity and opportunities, not just for business, but also for the people that call this great city home, who attend its schools and use local services.

The private sector cannot, and should not, solve all of society's problems, but it does have a role to play. As Professor Travers explains, development has increasingly been used to help fund affordable homes and the public services local people once

received directly from local or national government. Despite this, development is viewed dimly in the eyes of most people and receives plenty of poor publicity. It is clear we need to find a way to build understanding and then trust.

As this report cites, there are many examples of the positive public benefits of development that go unreported, and the contributions the property sector makes to local communities which are hidden, often behind a system of taxes and complex planning contributions. It is fair to say that many of those associated with the property sector barely understand exactly where and how these contributions are spent, so it is no wonder so many people view development with suspicion.

The trick will be to strike the right balance between contributing to what is needed locally, and for development to generate value. Profit should not be a dirty word, but legitimate return has become conflated with largesse. This, combined with the complexity of the planning process - which has broken the direct link between development and the contributions flowing from it - has clearly served to erode public trust.

Progress will be achieved by understanding how we have reached where we are, and working out what is important to local communities going forward. This will be about having a constant relationship between the industry and local people, rather than one that is linked to a particular event: in this way we can deliver 'good growth'.

Politicians, of course, have a critical part to play, particularly around explaining the trade-offs required to deliver in the best interests of a city and its people. Standing still is not an option. Our population is increasing and the West End, a strategically important part of the UK economy and national asset, generates a significant proportion of the country's jobs and prosperity.

The paper Professor Travers has prepared provides real food for thought. Whilst not formal WPA policy we very much welcome the debate, which comes at an important juncture as Westminster City Council consults on its own Plan for the City looking towards 2040. By working together I am confident our industry can build trust and deliver good growth which works for all.

Property development in London's West End — changing opinions

The West End of London is unique within the United Kingdom. Its economic power and importance as a representation of London as a whole makes it different to anywhere else in the country. Most of the West End is in the City of Westminster, though a part is in Camden. Together with the City of London and surrounding areas, the West End constitutes 'central London' which is (both nationally and internationally) perhaps the best-known location in the UK. Many films, television broadcasts and other events use the area and its monuments as a symbol of London and of the country more generally. The West End generates about three per cent of the country's economy within a tiny geographical area.

Such intense activity and the fact the West End in some senses belongs to everyone means that development will always be contested. Land owners, residents, businesses, commentators, heritage bodies, the media and many other groups have a stake in the area. In recent years, as the government has required local authorities to rely increasingly on the private sector to pay for new infrastructure and city maintenance, new controversies have emerged about the way central London planning and services are delivered. Business Improvement Districts have been created in several parts of the West End to help Westminster and Camden manage the area. Developers, including the long-established estates within central London, have assumed greater responsibility for delivering infrastructure, housing and public realm.

Property development and planning: a brief background

Property development in Britain has been an essentially political process since the passage of the Town and County Planning Act of 1947. From that point onwards decisions about planning permission, and therefore property development, have been made by local councillors and government ministers. Of course, such decisions are on the basis of advice from officials and inspectors. Nevertheless, a decision about the development of any single site results from a process that derives from decisions about the interpretation of a pre-determined local plan which, in turn, reflects political priorities.

Why does this matter? Political decision-making is the essence of democracy, so why would planning and development be treated in any other way? The challenge to this way of doing things is two-fold. First, by doing things in this way the credibility of politicians becomes the starting-point for trust in the system. Second, in Britain's adversarial political system, all development is almost inevitably contested. The more adversarial the politics of the day, the greater the chance that planning and development will become the location of a proxy war between politicians who are simply seeking another sphere in which to fight each other.

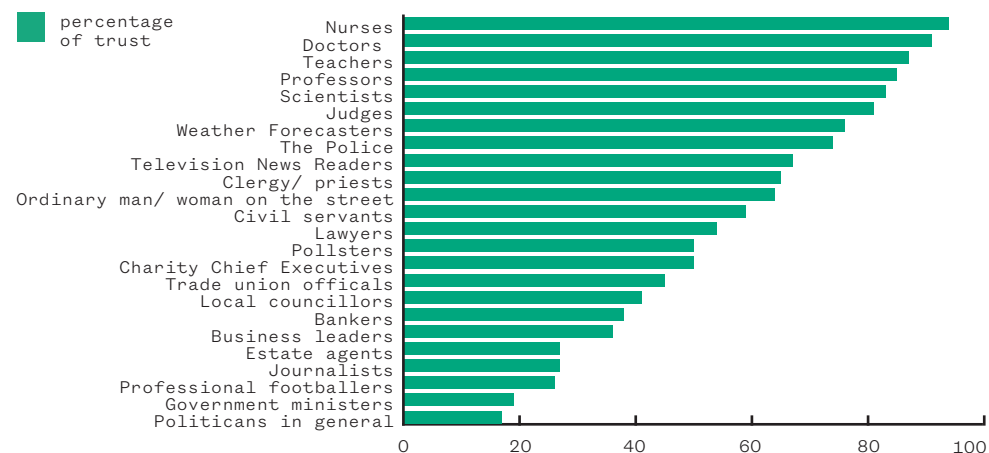
In contemporary London, there are at least three levels of planning decision-making. The 32 boroughs and the City of London are each required to produce a local plan, with virtually all proposals for development (from roof extensions to 1,000 foot-high towers) going initially to their planning departments. The Mayor of London determines the London Plan, with which all borough plans must conform. All larger developments must be referred by the boroughs to the Mayor who can direct refusal if they are judged not to conform to the Plan. In such circumstances, the Mayor can then take over the planning process. The Secretary of State for Housing, Communities and Local Government can then 'call in' a development (usually where an application raises issues of national significance) at any time during the planning application process, up to the point at which the local planning authority makes its decision.

Under the 2011 Localism Act, communities can produce Neighbourhood Plans, Neighbourhood Development Orders and Right to Build Orders. Neighbourhood Plans, once formalised, become part of a council's local plan.

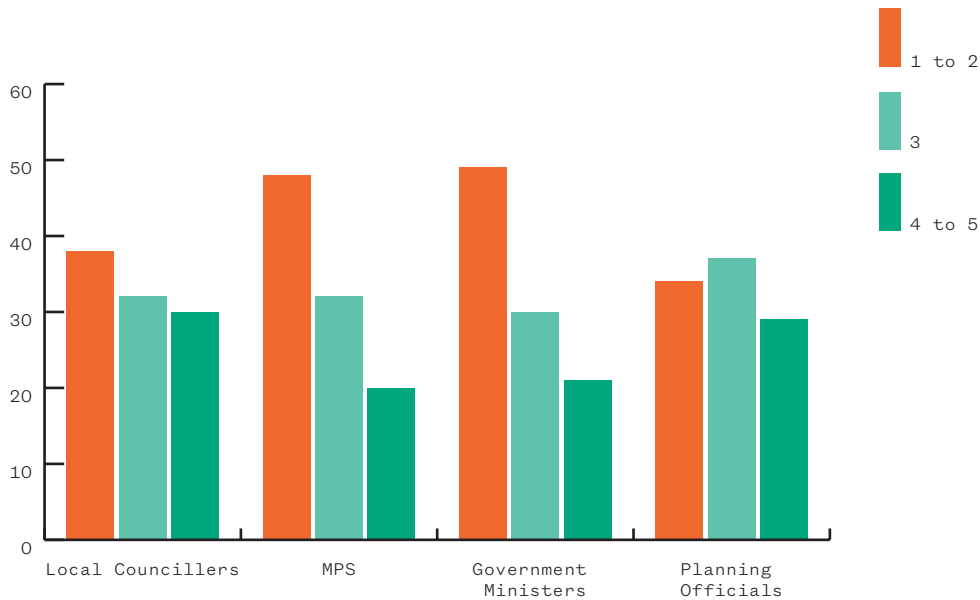
Planning is therefore not only a political process, but also one which operates at three or four different levels. Support or opposition to a particular development can potentially be expressed at one or more points in the planning process. In a complex and heavily-developed city such as London there are good reasons for giving a voice to public opinion at different points: interests differ at the neighbourhood, local, city-wide and national level. Nevertheless, there is a risk that a well-intentioned and rationally-designed system can create barriers to progress. For example, it would not be appropriate to allow every local community a veto on projects such as a new railway, a major housing development or a new office block simply because it affects a small part of the city. On the other hand, every area (and indeed individual) has a right to have their views heard. Balancing the needs of individuals, areas and the country as a whole is a key feature of representative democracy.

Trust in politicians is falling, though more at the national than the local level. The chart below shows Ipsos MORI's Veracity Index 2017, which asks the public about the trustworthiness of different professional groups. Politicians are least trusted, with government ministers trusted only slightly more. This means decision-making in the planning system is affected by the low esteem in which politicians are held.

Now I will read out a list of different types of people. For each, would you tell me whether you generally trust them to tell the truth or not?



On a scale of 1 to 5 where 1 means 'don't trust at all' and 5 means 'trust a lot', to what extent would you trust each of the following in making formal decisions about how local housing and developments is provided in your local area?



Local politicians are significantly more trusted than national ones. Another poll, by Survation, asked people how much they trusted local and national politicians to make decisions about housing and development. MPs and ministers again do badly: councillors and planning officials are trusted significantly more than national politicians.

The question of how far the public trusts those who operate the planning system is particularly acute in London, where most land is already developed and where densities are high. Moreover, many buildings have statutory protection on heritage grounds and there are significant lobbies against further development near existing homes. The need for politicians to explain and negotiate trade-offs between different interests will inevitably be greatest where densities are highest. In fact, a survey by Westminster City Council suggests relatively high levels of satisfaction with the authority's services, certainly compared to a number of central government-controlled services.¹

London's need for development

London has undergone a remarkable transformation since the 1960s. In the 1970s and 1980s, there was still evidence of damage inflicted by World War Two, with bomb-sites and temporary in-filling visible on major streets in the capital. The photographs below show the extent of the change. As recently as 1985, the city's population was falling – as it had done since 1939. Between the mid-1980s and 2018, the population has risen from 6.6 million to 9 million, with further increases projected (notwithstanding Brexit). The numbers of residents and those in employment have grown by a third or more within 30 years, a remarkable turn-around in such a short time. As a consequence, there has been a long period of redevelopment and regeneration, particularly in inner London. Impoverished 'inner city' areas have been improved, the city's skyline has been transformed, central London has extended outwards while public transport use has more than doubled. ▶



Shaftesbury Avenue



1970s

Now



Tottenham Court Road

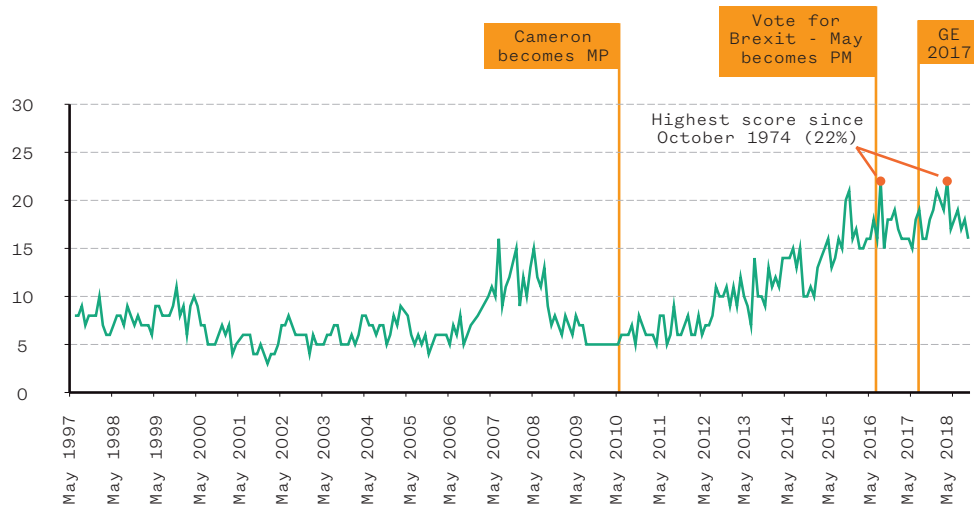
Mid 1980s



Now

But the scale of development and change has had consequences. House prices and rentals, never cheap in London, have increased significantly. The 'housing crisis' is now a major political issue, as its salience has increased. The chart below shows how public opinion has changed in recent years at the national level. In London, things are worse. That is, the need to increase house-building is even greater.

Housing as an important issue to the public



Derelict industrial areas have seen gleaming residential towers grow in places where few people used to live. Places on the edge of the traditional West End such as Paddington, King's Cross, Battersea/Nine Elms and the South Bank (Euston will soon follow) now have competing clusters of taller buildings to house thousands of new workers doing increasingly different kinds of job (i.e. not just traditional banking and finance) in central London. New kinds of office-use have emerged. Many tall buildings are now appearing in outer London locations such as Stratford, Ilford, Barking, Wembley and a rejuvenated Croydon. Growth has led to a continuous process of regeneration and renewal, with little sign of a let-up in the process in the coming decades unless Brexit goes badly wrong.

Where we have arrived today

The scale of London's resurgence since the mid-1980s has required massive investment in infrastructure to keep pace with residential and office development. The Underground, commuter railways and bus systems have all been upgraded. The Docklands Light Railway, Croydon Tramlink and Overground have been opened. Over a million additional homes have been built. Canary Wharf has evolved to be a major centre of employment to complement the West End and the City. Latterly, outer London centres have seen a significant pick-up in development.

Alongside this rapid growth in London, efforts to extract revenue from land and property development have become more complex and have evolved increasingly sophisticated mechanisms for raising revenue from property development. The government has required London boroughs and the Mayor to associate planning permission with the delivery of capital and revenue resources to pay for improved infrastructure and, more recently, better public services. Negotiations about Section 106 and the setting of the Community Infrastructure Levy (CIL) are now important features of the development scene in London. West End development is important because of the value of land and property in the centre of the city.

Conventional property taxes: non-domestic rates, council tax, Stamp Duty Land Tax and Inheritance Tax raise significant sums for the Exchequer. London taxpayers contribute over £17 billion per annum from these four taxes, with non-domestic rates being almost a third of the England total. Westminster City Council contributes 8.2 per cent of all NDR in England and, together with Camden, 10.7 per cent. But CIL and S106 are in addition to these taxes, putting additional levies on the development of land and property. A great deal of tax and developer revenue is extracted from a tiny area: Westminster's land area is 0.017% of the England total and together with Camden a mere 0.034 per cent. Central London is very efficient and productive.

Thus, larger developments in London, where land and property values are high, are now required to fund provision which would in the past have been paid for out of general taxation. Social and affordable housing, railways, highways, children's centres, street improvements, public art and healthcare facilities are all now funded by levies on property ▶

development. CIL is a levy on development, while S106 is negotiated on a development-by-development basis. Councils can generate additional resources from S106 by granting more development on a site. A number of recent (and on-going) projects in London are at a scale and density which has paid for substantial new assets and public services.

The boroughs and the Mayor are legally required to maximise the resources they can extract from development. In a period when sub-national government has seen its central grants and spending cut, development has provided an important way of raising additional resources. CIL and S106 have, to a degree, substituted for big reductions in central funding. But there is a problem. CIL and S106 revenues are either determined automatically or negotiated with developers. The same is true of New Homes Bonus, which rewards councils for each new home delivered. The process of raising such resources is invisible to the public, yet an increasing proportion of local infrastructure and service provision depends on the development that pays CIL and S106.

More development, bigger projects and increased densities are necessary for several reasons. The London Plan and boroughs' local plans generally encourage the efficient use of sites and the maximisation of CIL/S106. But after years of development, particularly in central and inner London, the growing reliance on development-led resources has, it would appear, produced a backlash. Moreover, the negotiations required to secure S106 have become increasingly tangled in the complexities of the multi-level planning system outlined above. Opposition to development has become more intense, with politicians and lobby groups intensifying their efforts to stop regeneration (a word which has become problematic) and/or to extract more gain from S106 and CIL. There are also significant arguments about the precise viability of developments in relation to the CIL and S106 contributed.

It is hardly surprising opposition politicians and members of the public seek to have an impact on planning decisions: indeed the decision-making process in relation to planning permission is intended to allow them to do just that. But when millions of pounds-worth of infrastructure are being negotiated, in effect, as part of the planning system – then a far wider range of issues are likely to become tangled up in the planning process.

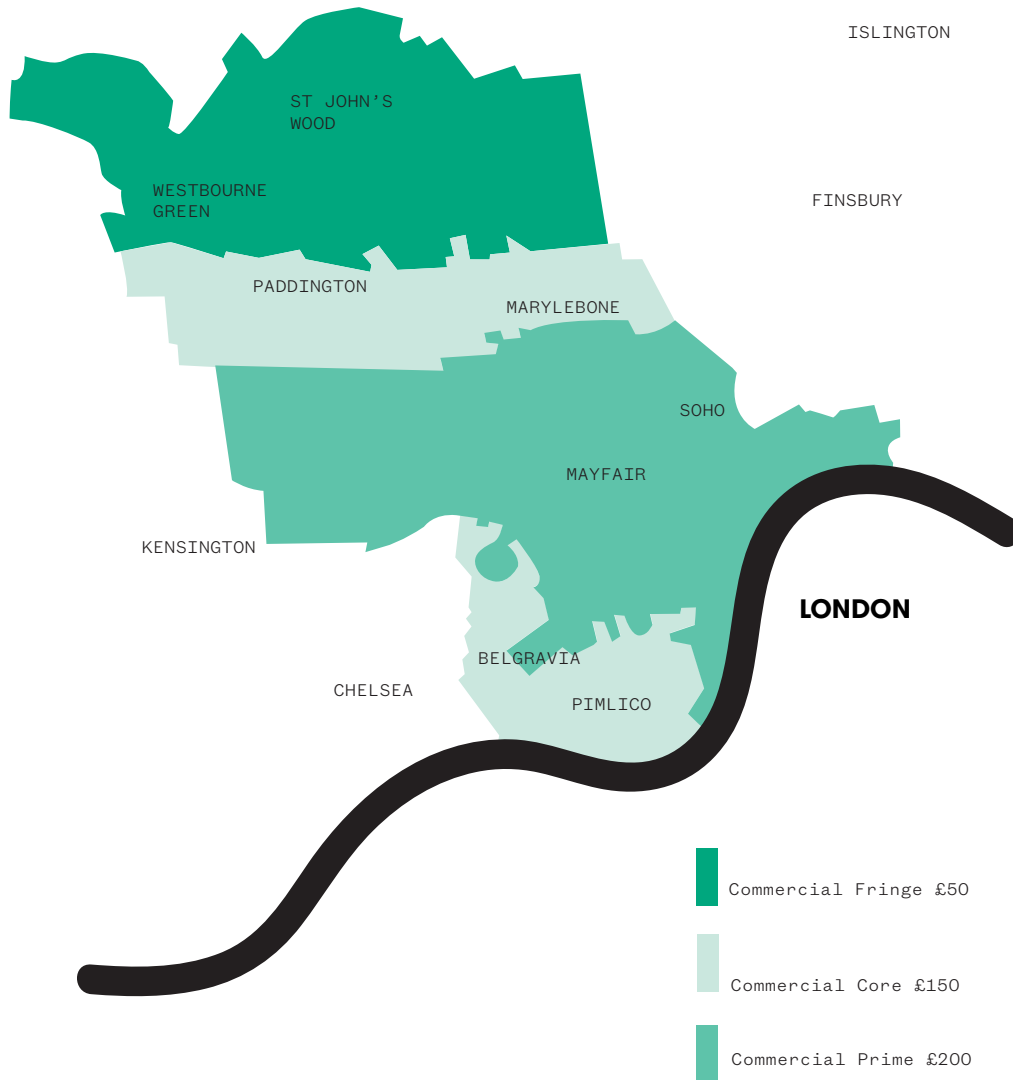
Thus, it is easily possible for people to object to the scale, density and height of development when such scale, density and height is required to pay for 'affordable' housing, transport links, public realm and health facilities. Because of the site-by-site nature of projects in the central areas of a long-developed city such as London, opportunities for comprehensive development over a wider space are rare. Relatively small sites are often developed at a scale and density well in excess of traditional London ones. But even where larger-area sites are available as, for example at Battersea/Nine Elms, the project will be required to pay for much of its own infrastructure and is thus likely to be large in comparison with existing, neighbouring, development.

There is evidence that the public has little idea about how new development pays for infrastructure and other benefits.² Yet, the amounts paid in CIL to individual London boroughs and the Mayor can be substantial. Section 106 deals, which are negotiated, are often harder to quantify. There can be delays between CIL being contributed and being used for local projects. Moreover, the amounts raised by a project may be spent (or perceived to be spent) at a distance from the development.³ In addition, projects funded by CIL and S106 are rarely denoted as such: 'affordable' housing paid for by a S106 deal or new paving funded by CIL will not have a sign on it explaining where the money came from. To the public, CIL and S106 are invisible and abstract.

Such research as there is has generally analysed the early years of CIL and has had to estimate (generally by surveys) statistics for the yield and impact of CIL and S106.⁴ The tables below, published by the government, suggests that the total of developer contributions in London was about £2.3billion in 2016-17, 38 per cent of the England total. If the South East and East are added, the amount paid was £4.3billion, 72 per cent of the national total. CIL and S106 payments are heavily concentrated in the London super-region. By contrast, only £183 million was contributed in the North West. Developer contributions are far more important to the London economy than to any other part of the UK. In central London, and particularly the West End, contributions are relatively higher than in other parts of Westminster. 'Commercial prime' development pays £200 per square metre compared with £150 in the 'Commercial core' and £50 in the north of the borough.

The map below shows the pattern of charging. Residential CIL is set at a significantly higher rate. Central London boroughs have significantly higher CIL charges than councils in other parts of England. Indeed, many councils in the Midlands and the North do not charge CIL at all.

City of Westminster Community Infrastructure Levy Zone Map – commercial property



Estimated value of affordable housing and other developer contributions by region, £millions 2016-17

	Total value of in kind affordable housing		Total value of (non in kind affordable housing) planning obligations and CIL		Total value of planning obligations (including affordable housing) and CIL	
	Value	%	Value	%	Value	%
East	£514	13%	£324	16%	£838	14%
East Midlands	£232	6%	£36	2%	£268	4%
London	£1212	31%	£1084	54%	£2295	38%
North East	£78	2%	£28	1%	£106	2%
North West	£157	4%	£26	1%	£183	3%
South East	£876	22%	£314	16%	£1190	20%
South West	£450	11%	£114	6%	£564	9%
West Midlands	£283	7%	£43	2%	£326	5%
Yorkshire & Humber	£170	4%	£67	3%	£238	4%
Total	£3972¹³	100%	£2036	100%	£6007	100%

Nationally, two thirds of developer contributions are used to pay for 'affordable' housing and there is no reason to believe this share would be different in London. Thus, it would appear that about £1.5 billion's worth of 'affordable' homes in London in 2016-17 were paid for by property development. ▶

Estimated value developer contributions 2005-17 £millions (real terms)

Contribution Type	2005-06	2007-08	2011-12	2016-17
CIL	—	—	—	£945
Affordable Housing	£2579	£3221	£2480	£4047
Open Space	£278	£289	£122	£116
Transport & Travel	£467	£570	£453	£132
Community	£97	£237	£171	£146
Education	£199	£334	£323	£330
Land Contribution	£1238	£1109	£323	£330
Other Obligations	£193	£226	£32	£51
Total Value	£5064	£6006	£3989	£6007

Of course, there are on-going debates about whether developers should pay for higher contributions towards 'affordable' housing; the issue of project 'viability.' But what is clear is that without development there would be fewer (possibly many fewer) such homes. The debate about this issue is particularly fraught because housing costs are so high in London.

The government has not been able to devise a system of housing delivery that comes anywhere close to meeting demand, still less bringing down prices. In effect 'taxing' development to fund homes at below market price has become an essential part of housing delivery in London. Opposition to development has the effect, therefore, of making it less likely that lower-income households get decent housing.

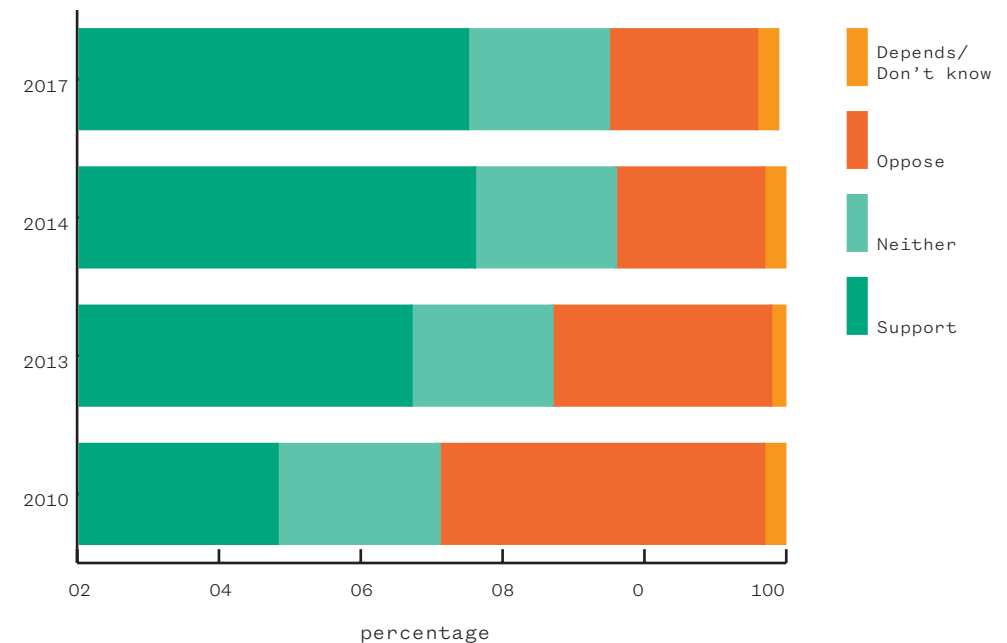
There is a paradox underpinning this use of developer contributions to deliver 'affordable' homes. Because developments have to pay for not only housing but also other benefits such as transport and urban realm improvements, many developments have to be built to a scale and height that appears out of keeping with traditional norms. As noted earlier, developments such as those at Battersea/Nine Elms, on the edge of the West End, are sometimes criticised for their magnitude and also because the homes for sale are not affordable to local people.⁵ What is largely invisible to public debate is the fact that the developer is being required to fund the re-building of Battersea Power Station as a heritage asset, to contribute substantial sums towards an extension of the Underground, to fund affordable housing and also to pay for the new urban realm.

Land has had to be used very intensely, subject to more liberal planning permissions, to produce enough yield to pay for the things that the government used to pay for. It would have been possible, had the government so wished, for taxpayers to have funded the re-building of the power station, for a new Tube line and other benefits. But it was virtually inconceivable that resources would have been made available in this way: three earlier developers had failed to deliver the project because of its scale and long-term nature.

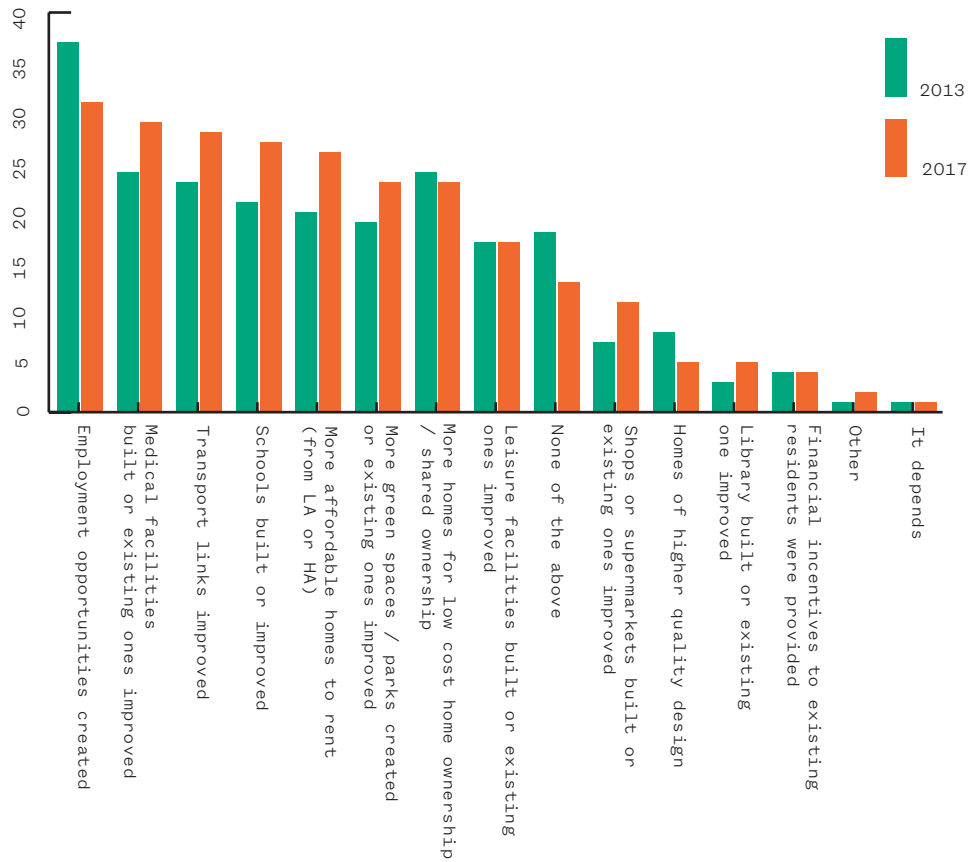
Changing public opinion and some of its causes

The British Social Attitudes Survey, a regularly-undertaken and methodologically-robust research base, has found that, nationally, people are becoming more enthusiastic about larger number of homes being built. Over a relatively short period, the proportion of the population supporting 'more homes' has risen from 28 per cent to 55 per cent. ▶

Would you support or oppose more homes being built in your local area?



Potential benefits that would increase support for new homes



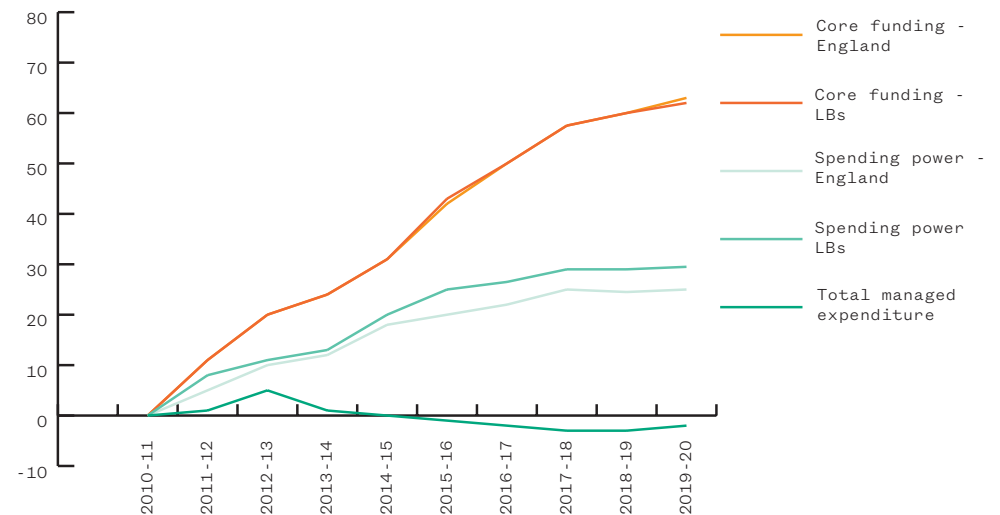
The same research asked people what benefits would encourage them to support development of new homes. The responses are shown above. Many of the chosen improvements are of the kind provided by development through CIL or S106. Separately, 23 per cent of people questioned in 2017 said a cash payment would increase their likelihood of support for nearby housing development, up from 17 per cent in 2014.⁶

Despite these encouraging findings from the BSA, there is apparent evidence of opposition to development, particularly in inner and central London where developers are often required to deliver many or most of the infrastructure and public service improvement linked to housing or commercial development.

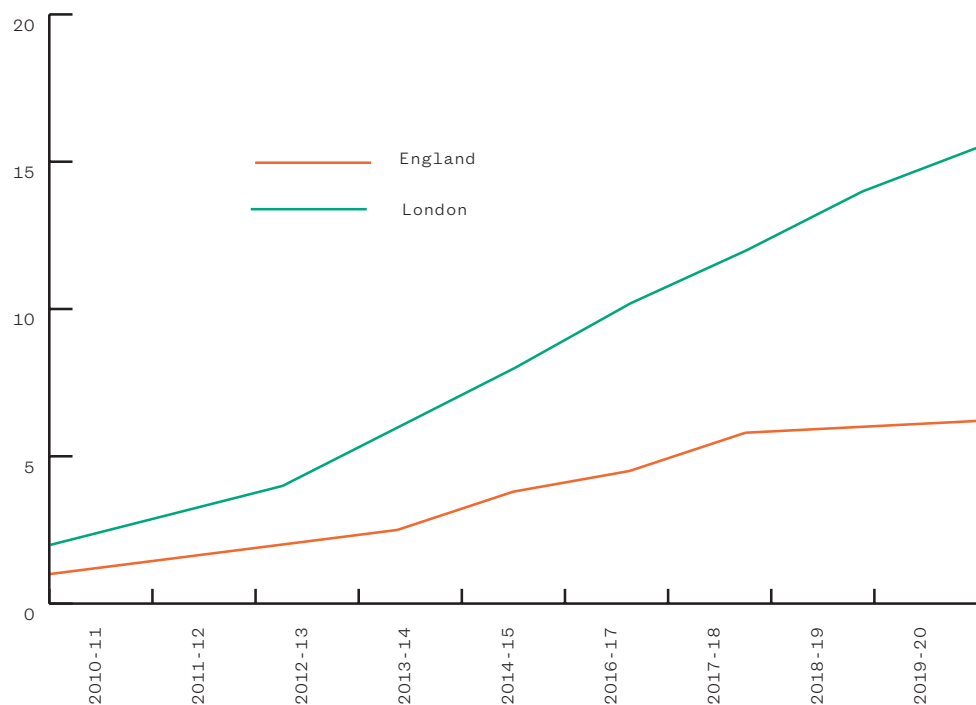
It is likely that the policy of concentrating 'austerity' on local government has contributed to changing attitudes: Westminster and other central London authorities have come to rely more on development (and, indeed, on Business Improvement Districts) than in the past to deliver basic assets and services. Since 2010, London local authority spending has fallen by about 30 per cent on average in real terms. Westminster and Camden have seen above-average reductions in expenditure. The chart below compares the 'spending power' of London boroughs with England as a whole. 'Total Managed Expenditure' is the overall figure for UK public expenditure. 'Core funding' is, in effect, government grant to councils.

Moreover, London's population has been rising fast. The chart below shows the increase in the capital's population compared to England. London will have seen a 14 per cent population rise between 2010 and 2020, which means the real reduction in London borough expenditure per capita will be in excess of 40 per cent within a decade. Because councils have had to protect adults' and children's social services, real terms per capita cuts on provision such as planning, street cleaning, refuse collection, roads, the environment and other public realm services has been over 50 per cent. ▶

Cumulative like-for-like change in public spending - 2010-11 to 2019-20



Percentage of growth — London compared to the rest of England



As a result of such cuts, reliance on developers and private management companies is even greater than it otherwise would have been. This dependency, in turn, often requires developers and/or property management companies to assume responsibility for the areas surrounding new developments. As a result of this pattern, a debate about the privatisation of public space has emerged.⁷ The problem here is: if government cannot afford to pay for streets and cleaning, who should take over and under what regulatory regime? Until and unless central government changes the model of local taxation, grants and funding within which councils work, there is little chance that larger new developments will be maintained by local authorities.

Development has become politicised because of the need for successive governments (nationally and locally) to raise resources. The planning system has become a way of taxing development not only for short-term investment in housing, transport, leisure facilities and the environment but also for longer-term maintenance. Developers and their consultants have had to take over responsibilities that, as recently as the 1980s, central and local government would have fully funded. This change has exposed developers and other private actors in a more visible, political, role. In London, where development is generally at a greater scale and density than elsewhere, the risk of being dragged into politics is even greater. Moreover, there has been no explicit signalling that private companies are increasingly involved in the delivery and upkeep of public assets and the public realm. As with many public policy changes, incremental change has led to a very different position today than in the recent past.

What might be done?

The current arrangements are increasingly unsatisfactory. The public and the media are often opposed to new development on a number of grounds. Chief among these reasons are:

- A number of people fear neighbourhoods will be changed for the worse by development
- Some developments are at a greater scale, density and height than existing streets and buildings in surrounding areas
- Infrastructure and local services may face extra demand
- Financial benefits flowing from development are spent outside the area affected by the new buildings. Residents and existing businesses often feel they have no control over the planning process
- Some residents and commentators would prefer the public sector alone to pay for 'affordable' housing, transport, the public realm and health facilities
- Construction can be noisy and disruptive
- Development can appear endless, leaving the city looking like a permanent building site, and...
- Some people simply do not want development near them.

Not all of these reasons carry equal weight. But all would be susceptible to changes in policy which would improve the quality of development while allowing the public a greater say in how decisions were made. Such improvements could be made by the adoption of the following policies:

More effective political leadership at the local, city-wide and national level

National politicians determine the legislative framework for all planning and development, yet it is sub-national and local politicians who must explain to the public why the system operates in the way it does. At all three levels of government, politicians need to be more explicit about the need for development, regulated by local planning, to pay for 'public' assets. As government steps back from paying for housing, roads, railways, streetscape and even health facilities, dependence on development will increase. Ministers, in particular, need to make clear that this is explicit policy. In the West End, there is an expectation within government that developers should play a major role in the improvement of the city and its streets. The extent of such involvement and its public purpose needs to be explained. Otherwise, the public can easily infer that councils and developers are involved in cosy deal-making rather than delivering assets and services in a nationally-ordained way.

Developers being more sensitive to local concerns and needs

Not all developers make sufficient effort to understand the concerns local individuals and communities have about the consequences of schemes, in the short and longer-term. The West End has many landowners and developers who have been present for many years and, in some cases, centuries. But others are less committed. Many residents' concerns could be handled by allowing greater access to those who are making decisions about the detail of projects. All developers need to operate to the standards of the best. The management of projects, including noise, deliveries, night-time operations and streetworks would need to be covered. Westminster, Camden and other central councils would be able, working through institutions such as the West End Partnership and London Councils, to require policies to ensure good practice by all developers. Those undertaking development would also need to be willing to undertake modelling about longer-term social and economic impacts of their developments on those already living nearby.

Clearer evidence of how developer contributions are used

Developers need to be clearer about what they are paying for and why. Many public realm improvements, affordable housing developments and transport links are delivered with developer contributions. Few such developments display any sign that they were (at least partly) funded by development. Councils need to ensure credit is shared between themselves and those paying for improvements. Councils would also need to be certain that at least some of the developer contributions raised are used in the immediate neighbourhood where construction occurs, with community involvement in decision-making.

Better exposition of the trade-offs inherent in planning and development

This issue is also largely one for politicians. Taxpayers' money is limited. If London and the UK are to remain relatively 'low tax' places, then other means will have to be found to raise resources for public provision. The use of development sites and also the size, height and scale of developments in the West End will all have to be greater if development is to pay for assets and services which in the past (or in other part of the country) are paid for by the public sector. Indeed, this is consensus public policy. Moreover, there has to be some disruption if more housing and employment are to be created, especially in a city and country with a growing population. Explaining the trade-offs and rationing are (or should be) inherent parts of contemporary politics. Local, city-wide and national political leaders need to be far more explicit about such trade-offs and bring the public into the debate about them.

Maximum openness in the planning system, particularly in relation to developer contributions

The planning process is inevitably complex and inaccessible to those who are not expert in it and its terminology. The process of granting planning permission, which can be long and legalistic, is now overlaid (for major projects) by negotiations about S106 contributions. Although there are, inevitably, private negotiations about the amount of S106 contributions and the use to which they are put, residents need to feel that they have a real influence on those who make decisions about both what is demanded and what is delivered. At the very least, there need to be opportunities for residents and local businesses to comment on priorities and impacts on the public realm around their homes or businesses. ▶

Better arbitration mechanisms

Where there are disagreements between councils, landowners, developers, heritage bodies, residents and/or local business there needs to be some kind of arbitration or conciliation process so that conversations about planning, development and private contributions can be conducted with due process and decorum. Of course, politics is a competitive and sometimes adversarial activity. But if there were (new and effective) mechanisms to allow those involved in complex high-profile planning decisions/negotiations about developer contributions to hammer out their differences, there would be a greater chance of an agreed and mutually-desirable outcome.

Experiments with reforms of the planning system

The British planning system offers a degree of predictability to local people, businesses and developers because councils and the mayor of London are required to publish legally-sanctioned local planning frameworks. However, there is significant discretion in the granting of planning permission at, potentially, three levels of government. A possible way of ensuring everyone knew where they stood would be (at least in some areas as an experiment) a system where a form of zoning was in use. That is, the precise rules for development, heritage protection and other details would be spelled out in advance. Developers would only be able to develop on a site where they fitted in with the zoning rules as published. But if they did so, they would receive permission to develop as of right. Parts of the West End might be suited to such a system, allowing greater certainty for all concerned. In order for such a system to allow councils to capture the increasing local tax generated by development, modest reforms would need to be made to local taxation rules.

Conclusion

The West End of London has been defined by property development for 350 years or more. The Crown, a number of family estates and, more recently, major development companies have been responsible for planning neighbourhoods and buildings. Many of these institutions have significant influence over the aesthetics, reputation and maintenance of places which are the essence of London's image at home and abroad. This process will continue. While Westminster City Council, London Borough of Camden and the Mayor of London will provide planning and public services to the West End, they will do so alongside those who own and develop property.

Such is the scale and regularity of development in the core of central London that those who undertake it have important obligations to residents and businesses. These obligations are fulfilled partly by the payment of developer contributions, but partly through being sensitive to local needs and expectations. Those who live and work in the West End must expect to experience noise, disruption and change on a regular basis. If development is to be welcomed (or at least accepted) the process of delivering it must ensure people feel they have opportunities to shape developments and have their voice heard.

Politicians have a role in ensuring the public understands the trade-offs involved in rebuilding and improving the West End. New buildings are often bigger than their predecessors for good reasons. Increased density in existing cities, for example, has environmental benefits as well as reducing pressure to build on green land. Redevelopment can improve streets and shopping, while providing new homes. But those who live or run existing businesses within cities often feel redevelopment is being done 'to them' not 'for them'. On a number of occasions they are right to think so. ▶

The challenge of explaining why change is happening falls partly to politicians and partly to those delivering a project. Planning is a political process, involving ward councillors and Cabinet members. The Mayor will become involved from time to time. Developers put forward proposals for change via the planning system and then deliver projects. There needs to be a separation between making proposals and decision-making. But the outcome for the neighbourhood needs to be seamless and open to public understanding. If it is not, residents and existing business-owners risk being alienated.

The public mood is more suspicious of corporations and politicians than it was in the past. Change is needed to sustain the strength of the economy for London itself and the country more generally. If action is not taken, there is a risk that opposition to good growth will intensify. In the West End, there are many good land-owners and developers. But if the public is to be convinced of the longer-term benefits of development, a number of the proposals for improvement, explored in the summary, should be considered. Economic growth can and should work for all.

References

- ¹ See, for example, City of Westminster, Audit and Performance Committee Report, 2016/17 End of Year Performance Report, July 2017, <https://committees.westminster.gov.uk/documents/s23256/2016-17%20Year%20End%20Performance%20Report%20for%20AP.pdf> [Accessed 4 October 2018]
- ² Research conducted by Censuswide, undertaken in September 2018, suggested that very few members of the public know that the private sector pays for much of the infrastructure associated with development. For parks and community centres, under five per cent of the public associated the delivery of such benefits with a 'private source'. For housing, the percentage was higher at just over 18 per cent. The report is due to be published by Snapdragon Consulting in Winter 2018.
- ³ See, for example, 'View from the Chamber: Why hasn't NW3 been given its money?' Ham & High, 20 September 2018, <http://www.hamhigh.co.uk/news/ham-high-column-camden-opposition-leader-cllr-oliver-cooper-september-20-2018-1-5702097> [Accessed 3 November 2018]
- ⁴ See Ministry for Communities and Local Government, Supporting housing delivery through developer contributions Reforming developer contributions to affordable housing and infrastructure, March 2018, http://data.parliament.uk/DepositedPapers/Files/DEP2018-0247/Developer_Contributions_Consultation.pdf [Accessed 29 October 2018]
- ⁵ See, for example, Julia Collowe, 'Battersea is part of a huge building project – but not for Londoners', *The Observer*, 14 February 2015
- ⁶ Ministry for Housing, Communities and Local Government, Public attitudes to house building. Findings from the 2017 British Social Attitudes survey, June 2018, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/714160/Public_attitudes_to_house_building_BSA_2017.pdf [Accessed 5 November 2018]
- ⁷ Revealed: the insidious creep of pseudo-public space in London', ed Chris Michael, *The Guardian*, 27 July 2017



About the Author

Tony Travers is director of LSE London, a research centre at the London School of Economics. Tony is also a professor in the Government Department and a member of the LSE's new School of Public Policy. His key research interests include public finance, local, regional and London government and he is a regular contributor to broadcast and print media, providing expert analysis.

In 2012-13, he chaired the London Finance Commission and was a member of the City Growth Commission. He has recently been an advisor to the House of Commons Education Select Committee and also the Communities and Local Government Select Committee. He is a research board member of the Centre for Cities and a board member of the New Local Government Network.

He was appointed by the Mayor of London Sadiq Khan to chair a re-convened London Finance Commission in 2016-17. He co-chaired the King's Commission on London. He is an Honorary Member of the Chartered Institute of Public Finance & Accountancy and also of the Institute of Revenues, Rating and Valuation.

He has published a number of books on cities and government, including Failure in British Government The Politics of the Poll Tax (with David Butler and Andrew Adonis); Paying for Health, Education and Housing How does the Centre Pull the Purse Strings (with Howard Glennerster and John Hills); The Politics of London: Governing the Ungovernable City; and London's Boroughs at 50.



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