



London housing needs: South East impacts



Member and MP update – September 2014

London housing plans are under inspection this month, attracting interest from South East Council Leaders and MPs who want to ensure London's demand does not further increase housing pressure in the South East. This update outlines the case made by the South East to manage the impacts of London's growth and counter arguments from groups such as house builders and some London boroughs.

Is London growth threatening the South East?

September 2014 sees the 'Examination in Public' of the latest London Plan, which sets out how London's Mayor will deliver 490,000 new homes in the capital in the next 10 years. South East local authorities want to ensure that London meets its own needs without pushing homes and families out of the capital to add to housing pressures in the South East.

South East England Councils (SEEC) and South East Strategic Leaders (SESL) appeared jointly at the Examination to emphasise that London's housing demand must not be allowed to spill over into the South East.

In July 2014, London Deputy Mayor Sir Edward Lister told SEEC and SESL members that London could meet its own housing needs. South East councils support the Mayor's ambition – but at the Examination several London councils and development companies argued that some of the capital's housing needs should be met outside the London boundary, including in the South East.

What is the London Plan?

London's planning system is unique in England. London must still produce a regional strategic plan despite the fact that regional planning has been abolished in all other areas. The latest version of this plan – Further Alterations to the London Plan (FALP) – is under examination by a Planning Inspector during September 2014.

In FALP the Mayor says 49,000 homes will be built in London every year for the next 10 years but only sets out specific locations for 42,000 a year. London is growing but population estimates are unclear. Some say London needs to build 62,000 homes a year to meet a backlog of demand more quickly.

South East concerns

South East councils' key points include:

- It is not viable or sustainable to imply that London's unmet housing needs can be met in the South East. Significant existing pressures in the South East include already-high levels of building and large areas of protected land – such as National Parks and Areas of Outstanding Natural Beauty. In the past 3 years the South East built an average 20,700 homes a year, compared to 19,100 a year in London.
- FALP policy needs to be updated to spell out clearly that London's target is at least 49,000 homes a year and how to close the gap from the 42,000 a year with sites already identified.
- The Mayor should work with London boroughs to review Green Belt to help meet London's housing needs before relying on the South East to provide additional homes. Many South East councils are already reviewing Green Belt for housing, but the Mayor does not want a review in London.
- London must build sufficient affordable housing and homes big enough for families to avoid increasing the flow of people moving from London to the South East.
- Often developers are very slow to build once they have planning permission, delaying house building in both London and the South East. Councils should be able to encourage building – for example through 'use it, lose it or pay for it' powers over sites with planning permission and more powers to ensure local colleges focus on the skills that construction companies need.
- Infrastructure in London and the South East is creaking. Greater investment is needed to ensure the economy does not suffer and that essential services such as schools, health, transport, water, electricity and broadband can be provided in both areas. London and the South East are home to

17.3 million people (a third of England's population) and in 2011-12 their joint economies created a surplus of £11.9 billion for the Treasury.

What others are saying about the London Plan

Several participants in the first week of the Examination in Public argued for London to meet some of its housing demand through building in the South East. The Planning Inspector will consider all views and make recommendations in his final report later in 2014. Points made to the Inspector by other groups include:

- Housing need and market forces do not respect London's boundaries, so more should be built outside London.
- Land available for house building in London is not necessarily where people need or want to live.
- Several London boroughs argue they cannot increase their housing target to fill the gap between 42,000 homes with sites already identified and the 49,000 a year the Mayor wants. The alternative should be to build more outside London, including in the South East.
- The Mayor should lead a strategic approach to working with councils outside London to fill the gap by allocating additional housing in areas such as the South East.
- Some London boroughs are willing to try to meet increased targets for 49,000 homes a year but need more information from London on a strategic approach. For example how much each borough will be expected to do and how much infrastructure investment will support extra homes.
- A strategic review of Green Belt inside and outside London is needed to identify possible housing sites. Green Belt reviews should not be approached piecemeal.
- Some London boroughs believe that allocating extra sites for housing would eat into the space available for other essentials, such as offices, schools or health centres.
- 49,000 homes a year will not address the London housing backlog quickly enough. London should be targeting 62,000 homes a year to tackle the backlog more quickly.

Next steps

Although the London Plan must have an Examination in Public, the Inspector's recommendations are not binding on the Mayor. The Inspector will report late in 2014 and we will update you on his findings.

About us

South East England Councils (SEEC) and South East Strategic Leaders (SESL) gave evidence to the FALP Examination in Public in early September. We also provided a [formal response to FALP during consultation](#) earlier this year.

Together SEEC and SESL promote the views and interests of all tiers of local government across the South East, representing some nine million residents.