

**SOUTH EAST ENGLAND COUNCILS  
EXECUTIVE COMMITTEE MEETING**



Date: 25 September 2014  
 Subject: Draft consultation response to London's Infrastructure 2050 proposals  
 Report of: Nick Woolfenden, SEEC Head of Policy Co-ordination

**Recommendations:**

SEEC Executive members are asked to:

- i) Discuss key issues to include in a response to the Mayor of London's Infrastructure 2050 consultation, emphasising the importance of London meeting its own housing needs, and ensuring investment in mutually beneficial South East infrastructure to underpin South East *and* London economic success.
- ii) Agree that the final response be approved by the leadership team for the Mayor's 31 October deadline and that SESL is invited to co-sign the response.

**1. Background**

1.1 The Mayor of London is consulting on his [Infrastructure 2050](#) plan until 31 October 2014, for final publication in early 2015. This 93-page non-statutory plan, plus supporting papers, sets out high-level long-term priorities to underpin London's ongoing economic success and cope with its rapidly growing population – soon to surpass its 1939 peak of 8.6m residents. Housing is a major driver for infrastructure need, and major issues that could impact on the South East include:

- i. **Housing – will London be able to continue to accommodate its need or have to look outside its boundaries?** Infrastructure 2050 explores how to meet the long-term challenge of housing London's population. Options raised include meeting some of London's housing need in the South East, for example through new garden cities, increased densification and coastal regeneration. South East councils have previously [challenged the need for overspill housing](#) and currently support the Mayor's Further Alterations to the London Plan (FALP) commitment to meet London's growth within its boundaries (see Item 7a). Requirements for utilities and social infrastructure, including schools, arising from housing growth are also considered by the Mayor.
- ii. **Transport – how will people, workers and goods travel?** South East councils have [previously called for](#) the Mayor to support key strategic transport improvements that will underpin the South East and London's economic success. Together the South East and London are the powerhouse of the UK economy, in 2011-12 contributing some £11.9bn profit to the Treasury. There is strong inter-dependence between the two areas – including goods, skilled workers and global transport links. Key transport and public service infrastructure is under pressure in the South East which could undermine collective success if not addressed. Infrastructure 2050 proposals include developing commuter routes, as well as suggesting the South East could pay towards London infrastructure through a regional income tax.

1.2 The Mayor estimates delivering Infrastructure 2050 will require a doubling of current expenditure levels. He calls for funding powers and freedoms to help deliver this, mirroring calls from South East councils for such opportunities in non-city areas.

1.3 24 consultation questions are raised by the Mayor on these issues as well as energy, water, waste, green infrastructure and digital connectivity. To inform SEEC's high-level response four key issues are suggested below for member discussion.

**2. For discussion - key issues for South East councils' response**

a. **The Mayor should strengthen his longer-term commitment to do all he can to meet London's housing needs in its boundaries** – As set out in South East councils' FALP response, it is not viable or sustainable to assume or imply that London's unmet housing

needs can be met in the South East given our statutory environmental constraints, existing high levels of growth and wider social and economic challenges. Infrastructure 2050 should instead focus on how London can meet its own needs, including:

- The Mayor should reiterate his FALP commitment to meet London's housing growth in its own boundaries and look at all options to achieve this - including review of London's Green Belt - before suggesting it may need to be met in the South East.
- Whilst the South East plays an important role housing some of London's workforce, many areas in the South East have thriving local economies and ambitions to develop these further and not simply become commuter economies. London and South East economic growth plans must complement one another and development of London's future spatial plans, including the full review of London Plan from 2016, must be informed by full involvement of South East councils.
- To help challenge any negative perceptions of the suitability of London's housing for all households, including families and older people, the Mayor will need to ensure effective provision of green spaces and social infrastructure eg schools, health and social care, to ensure it is desirable for all types of households to live in London.

**b. Infrastructure investment is needed in the South East as well as London to avoid damaging our collective economic success** – London's economy does not succeed in isolation. The Mayor's infrastructure plan should more effectively reflect the need to tackle existing pressures on strategic South East transport links and infrastructure including:

- Strengthen inclusion of mutually beneficial strategic South East transport proposals, as previously proposed by South East councils. Whilst a number of our suggested radial rail routes are broadly included, orbital proposals such as electrification of the North Downs Line are missing, as are a number of road improvements. The Mayor should be more innovative in looking at how such orbital improvements could relieve pressure and congestion on routes within London.
- The Mayor should clarify that such improvements to South East infrastructure are needed to support existing and future economic success, rather than a precursor to spreading housing growth beyond London's boundaries.
- Although South East councils endorse the need for increased airport capacity to underpin economic success, we support the Airport Commission's conclusion that a new inner Thames estuary airport is not viable. Infrastructure 2050 should be amended to reflect this recent announcement.
- Adequate investment in utilities in the South East and London will be needed, given cross-boundary dependence on these resources eg water and power, as well as schools and other social/community infrastructure to serve the growing population.

**c. Devolving financial powers and freedoms to councils in the South East as well as London will strengthen our collective ability to deliver** – South East councils call for the Mayor's support for all areas, not just cities, to have powers recommended by the London Finance Commission to deliver the world-class infrastructure that our globally-competitive businesses need to thrive:

- Allowing councils in the South East to receive a greater share of taxes (eg business rates and stamp duty) and financial freedoms to supplement Government funds for infrastructure will underpin London and the South East's collective economic success.
- We do not support the Mayor's specific proposal that South East residents should pay for London's infrastructure through a regional income tax.

**d. Effective engagement is needed between South East councils and the Mayor:**

- Given the importance of strategic cross-border inter-relationships, we call for South East councils to have a place on the Mayor's proposed Infrastructure Delivery Board.
- We support the Mayor's call for infrastructure providers to have a new formal requirement to meet the needs of democratically-led growth plans and ask that this be rolled out more widely (eg for Local Plans in the South East).
- We also ask the Mayor to work with South East councils and other partners (eg LEPs) to call for new 'use it, lose it or pay for it' discretionary powers, as well as improving construction industry skills, to ensure planning permissions turn into real development.