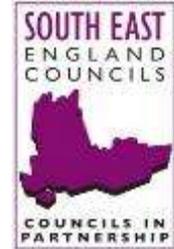


**SOUTH EAST ENGLAND COUNCILS &
SOUTH EAST STRATEGIC LEADERS
JOINT MEETING**



Date: 6 February 2014

Subject: **London's future housing plans: South East implications**

Report by: Nick Woolfenden, SEEC Head of Policy Co-ordination

Recommendation:

Members are asked to:

- i) Discuss key issues to include in a joint SEEC and SESL response to the Mayor of London's consultation on revisions to the London Plan housing growth targets, given potential implications for the South East.
- ii) Agree that the final response be approved by SEEC and SESL's Chairmen and deputies for submission by the 10 April deadline.

1. Background

- 1.1 The Mayor of London is consulting on [Further Alterations to the London Plan \(FALP\)](#) from 15 January-10 April 2014, prior to a Planning Inspectorate public examination in the autumn. Whilst the Coalition Government abolished regional plans in the rest of England, the London Plan still sets housing targets and other planning policy for London boroughs.
- 1.2 The FALP updates a range of London's housing, economic, environmental and community policies. We propose SEEC and SESL submit a high-level response focused on housing and associated infrastructure issues, given their potential strategic and local implications for the South East. A key issue to cover would be the South East's views on how London's excess housing need could be met.
- 1.3 Together the South East and London are the UK's key economic powerhouse, underpinned by strong inter-dependencies (e.g. global transport gateways; skilled workers commuting between the South East and London; business supply chains). Although it is welcome that the Mayor aims to substantially increase housing growth in the FALP, he acknowledges it will still not be enough to meet London's housing needs. This potentially places additional house-building pressure on areas outside London, such as the South East, on top of existing growth levels which already include provision for households moving out of London.
- 1.4 **Following initial discussions with an officer working group from all tiers of South East councils, we suggest a joint response focuses on the critical question of whether the Mayor is doing all he can to maximise housing growth potential in London. Suggested key points for discussion are set out in section 3 - member views are sought on these or other key issues to include, or any South East local examples/evidence that could reinforce the response.** Individual councils are also encouraged to submit responses. **Members are also invited to consider whether there is any merit in recommending London Plan preparation be made subject to the Duty to Co-operate like Councils' local plans - the Mayor's [view](#) is the duty does not apply to the London Plan.**

2. London's revised housing targets

- 2.1 The Mayor proposes increasing London's housing target to a minimum of 42,000 homes pa, confirming figures in London's recent draft [Housing Strategy](#). This is around 10,000 pa more than the current target and double recent building rates. However this is 7,000-20,000 pa less than housing need identified in the Mayor's [London Strategic Housing Market Assessment \(SHMA\)](#) - see table below. The 42,000 pa target is based on

London's [Strategic Housing Land Availability Assessment \(SHLAA\)](#), which indicates housing capacity taking account of policy constraints such as London's Green Belt.

SUMMARY OF KEY FIGURES	London	South East local authorities
New housing target - London Plan Further Alterations consultation	42,000 homes pa	N/A
Current housing target	32,000 homes pa	Approx. 30-31,000 homes pa (*)
Current delivery rates (average 2010/11-12/13)	19,000 homes pa	21,000 homes pa
New estimate of housing need in Mayor's Strategic Housing Market Assessment (taking into account need to address backlog of under-provision/unmet need)	49,000 - 62,000 homes pa (#)	N/A
Potential overspill to areas outside London (i.e. gap between London's new housing supply target & need)	7,000-20,000 homes pa	N/A

Footnotes: () Approximate total of adopted and draft local plans, subject to amendment as individual plans are developed/reviewed. (#) 62,000 homes pa would tackle the backlog more quickly.*

2.2 Ongoing under-provision in London effectively means areas outside the capital, for example the South East and East, will come under even further pressure to take more development on top of existing substantial growth levels, which already allow for significant out-migration from London. This may lead to increased demand on areas outside London, for example:

- Land, including pressure for Green Belt reviews and to use employment land/commercial premises for homes.
- Transport infrastructure, particularly commuting routes
- Utilities infrastructure, including water, power and waste
- Council services e.g. education, care etc.
- Potential pressure for New Towns or Garden Cities.

2.3 Housing growth within London itself also puts pressure on public services in areas adjoining, or further afield from, London e.g. schools, hospitals, as well as disposal of London's waste in parts of the South East. In addition, London's focus on high-density and high-rise development may increase demand for family-sized properties in the South East, which require more space to accommodate and place greater pressure on public services.

3. Key issues for discussion to shape a South East councils' response

3.1 Members' views are invited on key issues to include in South East councils' collective high-level response. Following member discussion, the full response will be developed for approval by SEEC & SESL Chairs/deputies:

- a) **South East & London, the UK's economic powerhouse** - As the Mayor acknowledges, together the South East & London are the UK's economic powerhouse, with critical inter-relationships for goods, skilled workers, supply chains and global transport links - London does not succeed in isolation. Investment is needed in infrastructure and services to maintain success.
- b) **London must do more to meet its housing need** - Welcome the Mayor's aim to increase targets/house building but London should do more to meet its own expected need if it is to support sustainable economic growth. South East local authorities have previously expressed concern that London should do more or the South East risks

becoming a dormitory for London's workforce. This would potentially damage locally-driven South East growth by increasing commuting and reducing employment land.

- c) **London must explore all options** - South East councils face constraints such as statutory environmental designations (e.g. Areas of Outstanding Natural Beauty, National Parks, Special Protection Areas) and overstretched infrastructure. South East councils are having to look at all 'difficult' options for growth including Green Belt reviews, but the Mayor rules this out completely. London should be required to review its Green Belt too, as well as maximising brownfield and appropriate high density opportunities, to ensure it takes all opportunities to meet its housing need.
- d) **Delivery is key** - The Mayor's emphasis on increasing delivery capacity through innovative finance and other measures is welcome. However, targets will continue to be missed across London and the South East if the construction industry cannot keep up with demand. Recent building rates show the South East builds more homes than London despite London having the highest levels of need but this could be at risk if total building industry capacity is not increased to meet demand. This is something outside individual councils' control and needs wider action, along with ensuring adequate investment in public and privately-funded housing and freeing up mortgage availability.
- e) **South East is already doing its part** - South East councils are already accommodating significant amounts of development arising from London out-migration (e.g. majority of the net 24,300 people moving to the South East from other parts of the country in 2011-12 were from London). This is already a key aspect of housing plans in the South East. But high levels of existing & planned development, overstretched infrastructure and pressure on the environment means this is ever-more challenging to sustain and could deter business growth and reduce residents' quality of life.
- f) **Transport investment for global success** - London's transport networks do not end at its boundary. Investment in South East infrastructure provides vital gateways for London's global trade and strategic road/rail corridors that help relieve/divert pressure from main London-SE routes. There would be mutual benefits of the Mayor working with South East councils on joint infrastructure investment priorities, including the Mayor's [London Infrastructure Investment Plan 2050](#).
- g) **Infrastructure and services to support success and quality of life** - Investing in utilities infrastructure (energy, water, waste) and services for growing communities (e.g. schools, health, care) in London and the South East is critical given inter-dependence on resources. Both areas' economic success and residents' quality of life is at risk without increased infrastructure capacity. South East councils support and reinforce the Mayor's aim to reduce waste exports to the South East.
- h) **Need for strong co-operation between London and South East councils** - Effective political and technical engagement between the Mayor and South East councils (collectively and individually) on the planning, infrastructure and service implications of growth must be a prerequisite for effective and sustainable growth. In addition, members' views are invited on whether there is any merit in recommending the formal Duty to Co-operate be applied to the London Plan's preparation, which the Mayor believes does not apply?

4. Engagement with LEPs and other affected areas

- 4.1 Given LEPs' responsibility to produce Strategic Economic Plans and the need for effective local engagement on growth priorities including housing, members should look for opportunities to develop shared views between South East councils and LEPs to reinforce SEEC & SESL's consultation response eg implications for South East local economies if London does not accommodate its housing need. Officers will also explore whether South East views could be reinforced by engagement with others affected by London's plans, such as East of England.