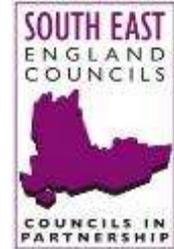


**SOUTH EAST ENGLAND COUNCILS &
SOUTH EAST STRATEGIC LEADERS
JOINT MEETING**



Date: 3 July 2014

Subject: London's housing and infrastructure needs 2015-2050
– South East implications

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

Recommendation:

Members are asked to:

- i) Welcome Sir Edward Lister's update on the Mayor's priorities relevant to the South East.
- ii) Take the opportunity to discuss the implications for the South East of issues such as the London Plan & housing, infrastructure investment and financial devolution.

1. Background

1.1 We are pleased to welcome Sir Edward Lister to the meeting. Sir Edward was appointed London's Deputy Mayor for Planning and Chief of Staff in May 2011, co-ordinating implementation of the Mayor's priorities, strategy and policy work. He was Leader of Wandsworth Council from 1992 to 2011.

1.2 Together London and the South East are the UK's economic powerhouse and are inter-dependent, sharing reliance on access to the same ports and airports, skilled workers commuting from or to the South East and business supply chains. Since last summer, Sir Edward and Mayoral-team colleagues have met bi-annually with SEEC and SESL's leadership to discuss shared concerns such as housing, infrastructure and finance. Today's meeting provides all members with an opportunity to discuss these issues with Sir Edward, to consider how we might better work together.

2. Key issues for discussion

2.1 Sir Edward has been invited to update members on three major work areas outlined below. Following his presentation, members will have the opportunity to raise issues and questions and may wish to consider the following matters, previously discussed by SEEC and SESL:

i) Further Alterations to the London Plan, including housing

2.2 The Mayor recently consulted on [Further Alterations to his London Plan \(FALP\)](#). There will be a Planning Inspectorate public examination in September which SEEC/SESL have offered to participate in. Whilst the Government abolished regional plans in the rest of England, the London Plan still sets housing targets and other policy for London boroughs.

2.3 SEEC and SESL submitted a [high-level response](#) focused on housing and associated infrastructure issues. Whilst welcoming the Mayor's FALP commitment to substantially increase housing targets to meet London's greater-than-expected population growth, SEEC/SESL's response highlighted key questions about whether the Mayor could do more to meet London's own need, minimising 'overspill' house-building pressure in the South East. This is of particular concern given the South East's already high levels of development (including existing provision for people moving out of London), statutory environmental protections and overstretched infrastructure. Key issues raised by members include:

- Seeking clarity from the Mayor on his commitment to meet London's housing need within its boundary. Can the Mayor show with certainty how the gap between identified sites (42,000 home pa) and minimum housing need (49,000 pa) will be met?
- Will the Mayor consider encouraging Green Belt reviews in London, to mirror what councils outside London are already doing to meet challenging growth demands?

- Although the South East built more homes than London in recent years, both areas have a shared concern about turning planning permissions into actual homes (the Mayor's FALP proposals would require more than doubling current building rates). The GLA has indicated willingness to work with SEEC and SESL on this - how can we best progress proposals for 'use it, lose it or pay for it' local powers (e.g. council tax on undeveloped sites with planning approval) to tackle land-banking/slow development? Can we jointly press for more local control over skills budgets to ensure that key sectors, such as construction, have the skilled labour needed to deliver more?

ii) London's Infrastructure Investment Plan 2050

- 2.4 Continuing investment in strategic transport infrastructure, as well as resilient public services and utilities, is important to maintaining economic competitiveness. In the South East members have expressed concern about lack of investment in strategic transport and our recent joint ['Mind the Gap'](#) report makes the case to Ministers for key schemes.
- 2.5 London shares similar concerns and is preparing to consult in July on [Infrastructure 2050](#), a document setting out the capital's transport and wider infrastructure needs. Getting infrastructure right is important to support economic success for London and the South East – the only two areas in the UK that generate net profit for the Treasury. London's Deputy Mayor for Transport, Isabel Dedring, has welcomed recent [SEEC and SESL input to Infrastructure 2050](#) which calls for investment in 11 projects - also featured in Mind the Gap - offering mutual benefits to London and the South East by either:
- a. Improving orbital travel routes to reduce road and rail pressure on central London e.g. North Downs Rail Line, M25 and speeding up delivery of a Lower Thames Crossing. South East benefits would be reduced congestion and more direct links between economic centres.
 - b. Improving business and commuter links between London and the South East e.g. Crossrail 2 regional route, road and rail links to Gatwick, Heathrow, the Channel and Southampton. These would reduce congestion and support economic growth.
- 2.6 South East councils are keen to work with London to address our shared infrastructure needs. Issues to explore include:
- How can we best work with London to influence investment plans by the Highways Agency and Network Rail.
 - What are the Mayor's aims for the Infrastructure Plan? How will it feed into the next full review of the London Plan and future housing demand?
 - SEEC and SESL have provided input on mutual transport benefits – what else would help e.g. input on utilities, schools, health, green space?
 - How can we help on the next steps to make sure shared needs are fully considered? Can we explore a joint officer task group to develop the business case for the transport schemes we have promoted?

iii) Financial devolution

- 2.7 As discussed with Professor Tony Travers in February, SEEC and SESL share the Mayor's concerns that over-centralisation of taxes in England is a barrier to economic growth, and are exploring quantifying the headline financial benefit changes could bring. London and the South East both support three key changes that would free up funds for investing in growth – local retention of property taxes; full devolution of business rates; and full local control of council tax levels:
- How could we work together to achieve these changes? Together the South East and London offer the only net returns to the Treasury, so our collective success is crucial to underpin spending in other parts of the country, including cities.
 - Without financial devolution there is a risk that South East councils will struggle to contribute their share towards funding the major strategic projects needed for shared economic success e.g. our proposals for Infrastructure 2050.