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Boris Johnson, Mayor of London
(Further alterations to the London Plan)
FREEPOST LON15799
GLA City Hall, post point 18
The Queen's Walk, London SE1 2AA
Also sent via email: mayor@london.gov.uk (& copy to Sir Edward Lister)

9 April 2014

Dear Mr Johnson

South East councils' response to Draft Further Alterations to the London Plan

- 1.1 We respond as Chairmen of South East England Councils (SEEC) and South East Strategic Leaders (SESL). Together we promote the views and interests of all tiers of local government across the South East, representing some nine million residents.
- 1.2 We understand your ambition is to achieve a step-change in London's housing growth to fully meet the needs of London's rapidly increasing population within your own boundaries. We support this, but are concerned that, according to your own figures, your proposals could be viewed as under-planning for London's identified need by some 7,000-20,000 homes a year. Our response highlights four key strategic issues relating to housing and associated infrastructure that need to be addressed to ensure London and the South East's current and future global economic success is not jeopardised. We are keen to work together to address the key issues.
 - A) London needs to do more to meet its own housing needs:** We ask you to set out clearly how you will fully tackle the challenge of meeting London's housing needs within London itself, exploring all options including Green Belt review (as councils in the South East have already had to do). We are concerned to ensure your housing ambitions are firmly set out as our members believe it would not be viable or sustainable to assume or imply that London's unmet housing needs can be met, either in part or in full, in the South East given our statutory environmental constraints, existing high levels of growth and wider social and economic challenges.
 - B) Action is needed to help developers increase delivery of new homes:** We ask you to work with South East councils and Government to press developers and the construction industry to up their game. This importantly includes increasing industry capacity and skills to meet your increased growth targets. Another key step would be introducing discretionary local 'use it or lose it' planning powers to ensure locally-approved developments are built.
 - C) Infrastructure investment is needed to avoid damaging current London and South East economic success:** Regardless of future needs, our current shared infrastructure is creaking. We ask you to work with South East councils to secure investment in mutually-beneficial strategic transport infrastructure and services. Without this we risk damaging our global economic success and preventing our businesses and communities from thriving.
 - D) Need for strong co-operation between London and South East councils:** We seek your commitment to co-operate closely with South East councils on key strategic planning and economic growth issues. This will help ensure the implications of your growth and development plans are considered with full regard for councils outside London given the scale of challenges and opportunities we collectively face.

- 1.3 The South East and London are the UK's economic powerhouse together contributing more to the national exchequer than any other parts of the country. This success relies on inter-relationships for goods, skilled workers, supply chains and global transport links - London does not succeed in isolation. However our shared success cannot be taken for granted in the face of global competition. Investment is needed in infrastructure and services in London *and the South East* to maintain success. Equally London cannot effectively plan for its future without fully considering its inter-relationship with areas beyond its boundary, such as the South East.
- 1.4 We set out detailed comments below and would be pleased to discuss these further with you and take part in the Examination in Public. Individual councils may also respond on more local aspects. We trust you have also sought the views of LEPs as well as councils in the South East.

A) London needs to do more to meet its housing needs

- 2.1 South East councils are concerned that despite understanding the Mayor's ambition is to meet London's dramatically increasing housing growth needs in London itself, proposals in the Further Alterations could be viewed as under-planning for London's own need. This should be corrected and clarified to more clearly set out the Mayor's aim is to meet the full 49,000 pa homes London requires.
- 2.2 Capacity and scope for additional development varies locally within the South East and should rightly be a matter for local leadership to determine. Our members strongly believe that it is not viable or sustainable to assume that London's unmet needs can be met in the South East and that to do so could bring high risks for London's future success as well as the South East.
- 2.3 At some nine million people, the South East has England's largest population and our councils are already playing their part in meeting growing housing need. This already includes accommodating significant amounts of housing development arising from net out-migration from London. Over the 11 years up to and including 2011/12, there was an average net flow of population from London to the South East of 36,200 people per year. However high levels of existing and planned development, heavily used 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. Whilst the South East plays an important role housing some of London's workforce, it is also important to recognise the South East is more than just a commuter economy. With the highest economic growth rates in England in 2011-12 (3.3% GVA increase for the South East, rising as high as 8.1% in Surrey) many areas in the South East have thriving local economies and ambitions to develop these further, balancing land use between jobs and homes. We are concerned to ensure London and our economic growth plans complement one another.
- 2.4 Statutory environmental constraints (e.g. National Parks, Special Protection Areas, Areas of Outstanding Natural Beauty) and other factors (e.g. flood risk and overstretched infrastructure) are already making it hard to accommodate existing levels of growth in many parts of the South East. This is despite councils having to look at all difficult options, including Green Belt reviews - an option currently ruled out by the Mayor within London itself.
- 2.5 **We ask the Mayor to address four key strategic issues in the Further Alterations to clarify how London will do more to meet its own expected need and support sustainable economic growth:**
 - i. **Policy 3.3 should be amended to specifically reflect the Mayor's minimum total 'target' of 49,000 homes pa across London. This should also clarify the overall target includes 7,000 homes the Mayor is asking London Boroughs to identify through their local plans to reduce the gap between need and supply.** The Further Alterations state the Mayor is planning on the basis of a 'minimum' housing need of 49,000 pa in London, based on the next 20-years' average need identified in London's Strategic Housing Market Assessment (SHMA). However Policy 3.3 is currently inconsistent with this, instead referring to 42,000 pa as the minimum to be planned for - a figure based on sites available

for development identified in London's Strategic Housing Land Availability Assessment (SHLAA). The Mayor needs to be consistent and clear in expressing his aim to meet London's housing need within its boundary.

- ii. **The Mayor should work with London Boroughs to review London's Green Belt. This will ensure that, alongside maximising brownfield and appropriate high density opportunities, all development options are considered to meet London's own needs within its boundaries.** South East councils understand the challenge of constraints to development but we believe there is more London should do to ensure all options are explored. In the South East we face constraints such as statutory environmental designations (e.g. Areas of Outstanding Natural Beauty, National Parks, Special Protection Areas) and our infrastructure is already under pressure. South East councils are already having to look at all 'difficult' options for growth, including Green Belt reviews, but the Mayor rules this out completely for London itself. This decision should be revisited given London's identified housing need.
- iii. **The Mayor should robustly monitor the adequacy of his housing growth assumptions and commit to increase his housing targets if levels of need prove higher than planned for in the Further Alterations.** We acknowledge there is uncertainty over the exact scale of future growth, but GLA's own Strategic Housing Market Assessment (SHMA) indicates annual housing needs could be as high as 62,000pa including backlog/existing unmet need over the next 10 years. This is some 13,000pa higher than the 20-year growth average of 49,000pa which the Mayor believes is the better basis to plan on, and would require significant further increases in development within London.
- iv. **The Mayor should increase his ambitions to meet London's *affordable* housing needs. This means upgrading the current proposals (Policy 3.11), which will undersupply some 8,000 affordable homes a year (25,600 pa need vs 17,000 pa proposed, according to the Mayor's figures).** Like London, South East councils also face particular challenges delivering enough affordable housing to meet needs, but are doing all we can. It is not acceptable or viable to assume London's unmet need can be met outside London given funding and physical constraints. In addition, South East councils' local ambitions to create sustainable, balanced communities are challenging in many areas due to long-standing social and economic problems and our own lack of affordable housing. We are concerned to ensure London does all it can to meet its identified need for affordable homes to avoid exacerbating the South East's challenges and simply reinforcing problems, particularly in our coastal and larger urban communities.

B) Action is needed to help developers increase delivery of new homes

- 3.1 The Mayor's emphasis on increasing housing 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. As the Mayor's consultation states, planning permission has been given for over 55,000 homes pa in London since 2008. However recent building rates show the South East builds more homes than London (South East 20,700 pa vs London 19,100 pa over the last three years) despite London having the higher level of need.
- 3.2 Housing completions in both our areas could be restricted if total building industry capacity is not increased to meet demand, including increasing the supply of skilled workers for the construction industry. 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. The Mayor and London's councils should do all they can to facilitate stronger engagement between the construction industry and education and training providers, to ensure that people of all ages are equipped with the skills needed by developers and the wider industry.
- 3.3 **We call on the Mayor to work with South East councils, the Government, housing/development industry and other key partners such as Local Enterprise Partnerships to find ways to help developers increase delivery of locally-agreed development. We also ask for the Mayor's support in calling for discretionary local 'use it or lose it' powers to ensure locally approved developments turn into reality.**

C) Infrastructure investment is needed to avoid damaging current London and South East economic success

- 4.1 London's transport networks do not end at its boundary. South East infrastructure provides key gateways for London's global trade as well as strategic rail and road corridors that help relieve or divert pressure from main London-South East routes. However many of these arteries for commuters and trade are already under extreme pressure and could undermine London and the South East's continued economic success. To maintain and enhance capacity there would be mutual benefits in the Mayor working with South East councils on both current and future joint infrastructure investment priorities. For example, as London's population grows there is potential for strategic investment in the South East to relieve pressure on central London transport networks and we would welcome the opportunity to discuss how such schemes could form part of the Mayor's long-term London Infrastructure Investment 2050 plan.
- 4.2 We are submitting a case to Government for key strategic transport schemes that are too big for local councils and partners to fund but which do not yet feature on national priorities. Our 'Mind the Gap' report includes key schemes that could unlock bottlenecks in and out of London, not only for domestic rail routes important for commuters, but also to global gateways in the South East that London's businesses rely on. **We call on the Mayor to work with South East councils to make the case for key strategic transport infrastructure in the South East and London which will have mutual benefits to support economic success.**
- 4.3 We support the Mayor's increased focus on meeting London's energy and resource needs, particularly given existing and growing pressures across the wider South East. Investing in utilities infrastructure (e.g. energy, water, waste) and services for growing communities (e.g. schools, health, care) in London and the South East is critical given our inter-dependence on resources, including for example London residents taking up school places in adjoining South East authorities. Infrastructure and services capacity are struggling to keep up with current demand in many areas and both London and the South East's economic success and residents' quality of life could be reduced without increased investment. **We ask the Mayor to work with South East councils to ensure sufficient investment in key local services (including schools and healthcare) and utilities infrastructure to meet the needs of both our populations and businesses, particularly where London residents use services provided in the South East.**

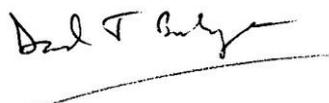
D) Need for strong co-operation between London and South East councils

- 5.1 Effective political and technical engagement between the Mayor and South East councils (collectively and individually) on the planning, infrastructure and service implications of growth will help us collectively achieve effective and sustainable growth. The GLA has previously explained its view is that the formal Duty to Co-operate does not apply to the London Plan's preparation. However given the scale of growth challenges and opportunities we and London face, **we emphasise the importance of the Mayor working pro-actively with councils in the South East. London needs to ensure the implications of its growth and development plans are considered with full regard for those councils outside the London boundary. This not only applies to the formal London Plan process (including alterations and future full reviews), but also other important non-statutory work that will inform further Plan development, such as the Mayor's London Infrastructure Investment 2050 plan.**

Yours sincerely



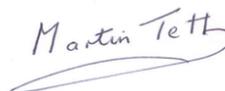
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