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Boris Johnson, Mayor of London
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Sent via email to: mayor@london.gov.uk, infrastructureplan@london.gov.uk, & copy to Sir Edward Lister

30 October 2014

Dear Mr Johnson

South East councils' response to the Mayor's draft Infrastructure 2050 plan

We respond on behalf 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.

Together London and the South East are the powerhouse of the UK economy, contributing some £11.9bn profit to the Treasury in 2011-12 – significantly more than any other parts of the country. The inter-dependencies that underpin our collective success rely on effective infrastructure investment in both London *and the South East* – to support movement of goods, skilled workers and global transport links.

Global competition is increasing and with key transport and public service infrastructure under pressure in the South East, future success cannot be taken for granted without significant investment in both our areas. Devolving financial powers and freedoms to councils in the South East *as well as* London will strengthen our collective ability to deliver and is vital to help fill infrastructure funding gaps. Furthermore, whilst the South East already plays an important role in housing some of London's workforce, many areas in the South East also have their own thriving economies and ambitions to develop these further and not simply become commuter economies.

While recognising that Infrastructure 2050 is not a statutory document, we are responding to highlight four key aspects that should be addressed, including assumptions on housing location which we are concerned should not be carried forward into a future statutory plan. We are also concerned that these issues be addressed as you may intend to use this document as supporting evidence for the London Plan review. We are keen to work with London to address the key issues and would be pleased to discuss these matters further with you:

- a. Infrastructure 2050 should fully reflect your London Plan commitment to meet London's housing needs in its boundaries** – Housing is a major driver for infrastructure need and South East councils support your Further Alterations to the London Plan (FALP) commitment to 2036 to meet London's growth within its boundaries. We are however concerned that Infrastructure 2050 suggests that London's overspill housing need could be met in the South East should the longer-term need arise. We realise that Infrastructure 2050 is not a statutory document but we want to make clear that 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, our own existing and projected high levels of population growth and wider social and economic challenges. Infrastructure 2050 should instead focus on how London can meet its own housing needs within its boundaries.
- b. Infrastructure investment is needed in the South East as well as London to avoid damaging our collective economic success** – Infrastructure 2050 should make clear how London will respond to existing congestion as well as future pressures expected on strategic

South East transport links. Transport improvements should focus on underpinning the shared economic success of the South East and London, which includes cutting congestion, not simply focusing investment on links to new housing developments outside London's boundaries. Without this we risk damaging our global economic success and preventing our businesses and communities from thriving. We ask you to work with South East councils to secure investment in mutually-beneficial strategic transport infrastructure. We are also keen to work with you on wider infrastructure to agree the optimum approach to improving utilities and social infrastructure, including schools, needed to support housing growth set out in approved formal planning strategies in both our areas.

- c. Devolving financial powers and freedoms to councils in the South East as well as London will strengthen our collective ability to deliver and fill infrastructure funding gaps** – South East councils call for your 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. This will enable our member councils to help contribute to major infrastructure investment, something that is not viable under the current local government funding system.
- d. Effective engagement is needed between South East councils and the Mayor** – We seek your commitment to co-operate closely with South East councils on key growth and infrastructure issues in advance of the next iteration of the statutory London Plan. 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.

We set out further details on each of these issues in response to your consultation questions:

Consultation question 1. Do you agree with the need for an infrastructure plan for the capital? Do you support our approach? If not, why?

&

Consultation question 5. Where do you think London's growth would be best accommodated (please explain why)? Are there alternative spatial scenarios we need to analyse?]

Housing location and planned growth are key drivers of infrastructure needs and we therefore respond to questions 1 and 5 together.

Together the South East and London are the UK's economic powerhouse, contributing some £11.9bn profit to the Treasury in 2011-12, underpinned by strong inter-dependencies on each other including movements of goods, skilled workers and services – for example over half a million workers commute between our areas each day. Ensuring delivery of key infrastructure in London and the South East is therefore vital to maintain this collective success. We call for your 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.

We support the principle of the Mayor's forward thinking in producing an Infrastructure Plan, but are concerned about its underlying assumptions about possible future housing growth outside London. While we recognise this is not a statutory document we think it is important to respond as we do not want to see assumptions on location of housing carried forward into a future statutory plan. South East councils have supported the Mayor's aim in the Further Alterations to the London Plan to meet London's housing needs within its boundary. We are however concerned about suggestions in Infrastructure 2050 that the South East could accommodate overspill housing growth if London cannot meet its own needs in the longer-term, and associated GLA assumptions about significantly increasing South East housing densities (up to 100 dwellings per hectare).

Capacity and scope for additional development, including appropriate housing densities, varies locally within the South East and is rightly a matter for South East local councils to determine. Our members strongly believe that it is not viable or sustainable for Infrastructure 2050 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 therefore be amended:

- The Mayor should reiterate his FALP commitment to continue to meet London's housing growth in its own boundaries and look at all options to achieve this before suggesting it may need to be met in the South East.
- Decisions about future housing location and densities are a matter for consideration and formal, detailed consultation as part of the next statutory London Plan and councils' Local Plans, and not a matter for Infrastructure 2050. Such references should therefore be removed from Infrastructure 2050. Infrastructure 2050 should instead focus on infrastructure that reflects the need arising from existing congestion and the new transport, social and utilities requirements from future planned development in the South East and London set out in formal planning strategies/policies.
- Whilst the South East plays an important role in housing some of London's workforce, many areas in the South East also have their own thriving 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 any future reviews of the London Plan, 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 facilities to make London living attractive to these groups eg schools, health and social care.

Consultation question 2. Is any of the infrastructure identified unnecessary – if so why? What (if any) infrastructure do you think London will need in addition to what we have identified? Why?

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. Infrastructure 2050 should be strengthened to reflect the need to tackle this issue now and in the future. While we welcome support for some key transport corridors through the South East our aim is economic and jobs growth in the South East, not simply housing growth to support London.

To maintain and enhance capacity there would be mutual benefits in the Mayor working with South East councils on current and future joint infrastructure investment priorities. For example, as London's population grows there is potential for strategic investment in orbital routes in the South East to relieve congestion by offering alternatives that bypass central London transport networks.

On transport Infrastructure 2050 should therefore:

- Strengthen inclusion of mutually beneficial strategic South East transport proposals, as [previously proposed](#) to the GLA by South East councils during the development of Infrastructure 2050. Whilst we are pleased that a number of our suggested radial rail routes have been 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. This wider perspective is important to help reduce congestion, which will offer economic benefits for both London and the South East.
- As reflected in our response to questions 1 & 5, the Mayor should clarify that 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.

Addressing wider infrastructure needs, such as schools and utilities, is also vital to future success. 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. Schools are just one example where many London residents take up school places in adjoining South East authorities, increasing demand in areas neighbouring London. 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 in both areas.

We therefore ask for Infrastructure 2050 to include:

- Commitment from 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.
- Support for flood prevention work to protect homes and business in both London and the South East from the effects of future severe weather. In particular the Mayor's support for the £256m River Thames Scheme would help protect many thousand households in London and the South East.

Consultation question 3. We have identified a significant funding gap with regard to the infrastructure that we think London will need. We have also set out a menu of options to help close the gap. Which of these should we pursue and why? Which not and why? Are there other options we haven't considered which you think need to be addressed?

Devolving financial powers and freedoms to councils in the South East *as well as* London will strengthen our collective ability to deliver and is vital to help fill infrastructure funding gaps. 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. Without these changes South East councils do not have the financial freedom to invest in major infrastructure projects that would deliver economic benefits for both London and the South East.

In Infrastructure 2050:

- We ask for the Mayor's support for our call to Government to allow councils in the South East to receive a greater share of taxes (eg business rates and stamp duty) and financial freedoms needed to fill gaps and supplement Government funds for infrastructure that 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 and ask that this be removed from the final version.

The Mayor's emphasis on increasing housing delivery capacity in London through innovative finance and other measures is welcome. However, targets will continue to be missed across both London and the South East if the construction industry cannot keep up with 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. As previously stated by the Mayor, planning permission has been given for over 55,000 homes pa in London since 2008. However recent building rates show the South East continues to build more homes than London, despite London having the higher level of need (South East building approximately 61,000 homes over the last three years, compared to London's 51,000 over the same period).

We call on the Mayor to strengthen Infrastructure 2050 by:

- Including a commitment 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.
- 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 to ensure planning permissions turn into real development.

Consultation question 4. Will the London Infrastructure Delivery Board be enough to ensure best-practice joined-up delivery of infrastructure in London? What more could the Mayor do?

Effective engagement is needed between South East councils and the Mayor given the key inter-relationships that underpin our collective economic success. We seek your commitment to co-operate closely with South East councils on key growth and infrastructure 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 from our rising populations, growing housing demand, congestion and increased global economic competition.

In Infrastructure 2050:

- 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).

Yours sincerely



Cllr Gordon Keymer CBE
Chairman, South East England Councils



Cllr David Burbage MBE
Chairman, South East Strategic Leaders