The Draft London Plan

Representations submitted on behalf of Crest Nicholson, Wates Developments, Gallagher Estates, Lands Improvement Holdings and Cala Homes

March 2018

BARTON WILLMORE
PLANNING / DESIGN / DELIVERY

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APPENDICES

EXECUTIVE SUMMARY

0.1 Barton Willmore LLP is instructed by a Consortium of housebuilder, developer and land promoter clients, comprising Crest Nicholson, Wates Developments, Gallagher Estates, Lands Improvement Holdings and Cala Homes, to submit the following representations in response to the Draft London Plan ('the Plan').

0.2 Whilst the Consortium includes members with development interests within London, these representations deal with the London Plan's relationship with the Wider South East (WSE). Crest Nicholson and Lands Improvement Holdings have, individually, submitted separate representations in response to the Plan addressing policies which would guide future development within London.

0.3 These representations focus upon the Housing and Spatial Development Patterns sections of the Plan. In particular, the Consortium considers the Plan to be unsound due to the following significant failures:

i) The 2017 London Strategic Housing Market Assessment (SHMA) identifies a need for 66,000 dwellings per annum (rounded) across London. This figure does not feature within any of the Plan's policies. Notwithstanding this, housing need for London could be in excess of 72,400 dwellings per annum (dpa) based on the Government's proposed standard methodology for assessing need as it is currently proposed. Uncapped, the standard methodology would suggest a need for 95,300 dpa. **The uncapped standard methodology figure is 44% above the SHMA figure and the difference between the two figures represents approximately 10% of the country's total housing need**;

ii) The Plan (Policy H1) provides the net housing completions which each local planning authority should plan for (2019-2028). In total, the Plan proposes 65,000 dpa which compares with 42,000 dpa under the existing Further Alterations to the London Plan (FALP). **The Plan proposes an increase in delivery of 53% compared with the FALP**, to be achieved by the date of the Plan's adoption;

iii) Our analysis of past housing completions in each London Borough presented in this report (Section 4) has demonstrated that over the past 5-years (2011/12 to 2015/16) there have only been an average of 32,100 dpa completed. To achieve the Plan's housing targets would require a **105% increase compared with past delivery.**

iv) The theoretical nature of the SHLAA raises significant questions over the deliverability of the sites assessed and the volume of units identified through the SHLAA modelled process.

v) As drafted, the Plan would result in an annual shortfall in housing provision (unmet need) of approximately 1,000 dpa against the need identified in the SHMA. The Plan makes no commitment for how this shortfall will be addressed nor any contingency in the event that delivery falls short of the Mayor's expectations. This is wholly inadequate given the current position through the FALP and the risks of significant under delivery continuing. **We conclude that the <u>shortfall</u> in housing provision will be significantly larger, with a realistic overall London-wide target of 53,000 dpa – resulting in annual shortfall of at least 13,000 dpa**.

vi) In response to the objections raised, we seek modifications to Policy H1 to include an increased housing requirement to at least the 'capped' standard method housing figure of 72,400 dpa. Alongside this, realistic housing targets, potentially totalling 53,000 dpa, should be set out in Policy H1. Thus, **Policy H1 should identify the scale of unmet housing need which is likely to result, cross-referring to Policies SD2 and SD3 as setting the strategy for how this shortfall will be resolved**.

vii) The Plan relies upon the identification of "willing partners" and supports the identification of "growth locations" based upon the identification of thirteen Strategic Infrastructure Priorities (SIPs). These representations conclude that some of the SIPs are unlikely to be delivered within the Plan period and therefore unlikely to offer any potential to support additional growth. By contrast, **we consider there to be opportunities for other SIPs to support increased growth within the WSE in the short to medium term**.

viii) The Plan's provision for collaborative working with the WSE authorities, as set out in Policies SD2 and SD3, does not provide a robust framework to secure the delivery of increased growth which would include helping to meet London's unmet housing need. **Despite ongoing collaborative working between the GLA and the WSE authorities since the adoption of the FALP in March 2015, not one willing partner has been identified. In the absence of a clear policy requirement, we are unconvinced that the Plan and the ongoing joint working will secure a positive outcome and therefore consider the Plan to fail in its requirement under to the Duty to Inform and Consult**.

ix) Taking account of the significantly increased unmet housing need which could result, constituting a nationally significant shortfall in meeting the country's needs, Policies SD2 and SD3 in the Plan should be revised. **The Plan must provide a clear policy requirement on WSE authorities to demonstrate that opportunities for addressing London's unmet housing need have been assessed through the preparation of their Local Plans**. We consider that this would be most effectively undertaken at a strategic level, for example, through coordination with Local Enterprise Partnerships (LEPs), the National Infrastructure Commission (NIC) and/or County Councils (where applicable).

x) We encourage the Mayor and the WSE authorities to focus upon the identification of willing partners including progressing discussions with Government regarding the delivery of SIPs and potential Growth Deals. **It is not an unrealistic expectation that the collaboration between the GLA and the WSE authorities should have progressed sufficiently to identify willing partners/growth locations prior to the Plan's Examination in 2019**.

1.0 INTRODUCTION

1.1 Barton Willmore LLP is instructed by a Consortium of housebuilder and land promoter clients, comprising Crest Nicholson, Wates Developments, Gallagher Estates, Lands Improvement Holdings and Cala Homes, to submit the following representations in response to the Draft London Plan ('the Plan').

1.2 Whilst the Consortium includes members with development interests within London, these representations deal with the London Plan's relationship with the Wider South East (WSE). Crest Nicholson and Lands Improvement Holdings have, individually, submitted separate representations in response to the Plan addressing policies which would guide future development within London.

1.3 These representations are structured as follows:

1.4 Chapter 2 provides an overview of the current situation established through the FALP including the extent of unmet housing need arising from the FALP and the absence of any effective response to addressing it. We also review the ongoing collaborative working between the GLA and the WSE authorities which has been undertaken since the publication of the FALP in March 2015 as a basis for establishing an effective response to strategic planning matters across the WSE.

1.5 Chapter 3 reviews the evidence base relating to housing need and delivery within London. We assess whether the overall housing target is sound, having regard to the Government's standard methodology for assessing housing need, and whether the housing targets contained within Policy H1 of the Plan are deliverable.

1.6 Chapter 4 assesses the approach contained within Policies SD2 and SD3 of the Plan which provides the Plan's response to strategic planning across the WSE. We address the inadequacies of the Plan's provisions for supporting Local Plan preparation in the WSE and the need for an effective strategic response to be established through this iteration of the London Plan.

1.7 Where possible, these representations present proposed modifications to address the soundness and legal compliance concerns which are set out in our objections.

1.8 On behalf of our clients, we confirm that we reserve the right to appear and participate in the Examination in Public (EiP) of the Plan in order to present in full the Consortium's case including responding to additional information which may be published by the GLA, the WSE authorities and other participants prior to the EiP hearings.

2.0 CURRENT POSITION

The FALP

2.1 The Inspector appointed to undertake the FALP EiP set out in his report that:

> **"The [FALP's] targets… will not provide sufficient housing to meet objectively assessed need and I am not persuaded that the FALP can ensure that the additional 6,600 dpa will be delivered."**

2.2 The FALP housing target has not been achieved since its publication in March 2015. Net annual housing completions within London have rarely exceeded 30,000 dpa, with the annual average rate of past completions being 31,125 dwellings (2004-2016)[1]. As such, the annual shortfall in housing delivery against the FALP housing target has been in the order of 11,000 dpa, not 6,600 dpa, and is plainly an even more severe shortfall in meeting housing need.

2.3 In contemplating the 'planned' shortfall of 6,600 dpa arising through the FALP, the Inspector added:

> **"The evidence before me strongly suggests that the existing London Plan strategy will not deliver sufficient homes to meet objectively assessed need. The Mayor has committed to a review of the London Plan in 2016 but I do not consider that London can afford to wait until then and recommend that a review commences as soon as the FALP is adopted in 2015."**

2.4 With the adoption of the Plan not anticipated until 2019, it is clear in our view that the FALP has been shown to be wholly inadequate in meeting objectively assessed housing need or, as an alternative, establishing an effective strategic approach to deliver sufficient homes across the WSE. In this regard, it is important to note the comments made by the FALP Inspector:

> **"In my view, the Mayor needs to explore options beyond the existing philosophy of the London Plan. That may, in the absence of a wider regional strategy to assess the options for growth and to plan and co-ordinate that**

[1] GLA AMR 2015/16 (July 2017)

> **growth, include engaging local planning authorities beyond GLA's boundaries in discussions regarding the evolution of our capital city."**

2.5 Whilst not suggested by the FALP Inspector, the prospects for any regional plan preparation as a direct response to this wholly unsatisfactory outcome of the FALP was extinguished by the (then) Secretary of State, Brandon Lewis MP, who wrote to the London Mayor on 25th January 2015:

> **"Authorities outside London face their own issues and challenges in meeting their own needs, which may impact on their ability to meet any of London's unmet housing needs. This government abolished top-down Regional Strategies, which built up nothing but resentment and we have no intention of resurrecting SERPLAN or the South East Plan from the dead."**

2.6 Importantly, the Ministerial response to the significant shortfall in housing provision resulting from the FALP has meant that Local Plan preparation in the WSE has largely ignored London's unmet housing need, with little or no consideration given to it by local planning authorities and Inspectors appointed to examine their plans.

The Absence of a Joint Strategic Plan

2.7 The GLA's Planning Committee published a report in January 2016 entitled, 'Up or Out: A false choice - Options for London's growth'. The report looked at where London's housing and infrastructure growth could potentially take place and how it could be balanced with ensuring a high quality of life for all of its residents. The report identifies where new housing could potentially be built and how density could be increased through "innovative design approaches".

2.8 The report advised that accommodating growth outside of London could be required to help meet identified need. The report stated:

> **"Dialogue with the rest of the south east is vital if London's growth can be accommodated and to do so will require establishing effective regional co-operation on new housing."**

> and

> **"Directing London's growth away from its current boundaries would require some kind of joint strategic plan on a regional level covering London as well as the Homes Counties. As this is likely to run counter to Government policy a new Mayor will have to build the case and convince sceptical authorities outside of London."**

2.9 Taking into account the Government's clearly stated position to resist any reintroduction of regional-tier plans, it is admirable that the GLA considered whether a case could potentially be made to pursue a joint strategic plan across the WSE. Disappointingly, however, the outcome has fallen well short of any such effort.

2.10 We note that alternative measures to help secure an effective approach to strategic planning across the WSE were presented in a recently published report produced jointly by Centre for London and the Southern Policy Centre - 'Next-door Neighbours – collaborative working across the London boundary' (January 2018).

2.11 This report includes four core recommendations:

2.12 The first recommendation is that London and its neighbouring regions should develop a vision for the future, a shared understanding of challenges to sustainably accommodating growth, and a strategy for joint action. Whilst not presented in terms, this could be taken as a strategic plan, whether statutory or non-statutory.

2.13 The second recommendation advocates a strengthening of the WSE collaboration currently undertaken through the Political Steering Group (PSG) and Officer Working Group (OWG). The report advises that "there is still work to be done to ensure that consultation is thorough and credible with all, based on shared [evidence] where possible".

2.14 The third recommendation encourages the Government to support the efforts of the WSE in seeking to address the challenges and support the delivery of a WSE shared vision. It suggests the potential to replace the Minister for London with a new senior portfolio charged with taking an overview of the WSE.

2.15 Fourth, the report recommends that the Government considers how national infrastructure decisions and funding allocations can take better account of the needs of the WSE.

2.16 We generally support the recommendations and the supporting analysis contained within the CfL & SPC's report. However, we consider the report does not go far enough in recognising that there is a need to establish a realistic and deliverable housing strategy through this London Plan. In the short term, it is imperative that a credible approach is adopted through the Plan which identifies the scale of unmet housing (alongside other development and infrastructure) needs and a strategic policy approach for securing its delivery.

Collaboration with the WSE

2.17 The GLA and the WSE local authorities continue to collaborate with each other in exploring strategic planning matters and how these can be addressed jointly. This collaborative working commenced in March 2015 at the point of the FALP's publication.

2.18 The collaborative working has included discussions between Leaders of Councils across the WSE and the London Deputy Mayor for Planning. It includes, principally, a Political Steering Group (PSG) which is supported by an Officer Working Group (OWG). Four WSE 'Summits' have been held, the most recent of which took place on 24th January 2018.

2.19 These structures present a mechanism to enable the GLA and the WSE authorities to secure positive and effective outcomes to meet the shared challenges and opportunities. This includes the clear aim of identifying willing partners within growth locations which wish to support increased growth in return for increased infrastructure investment from Government. However, in the absence of identifying willing partners and growth locations, or even, as we understand has been raised by some WSE authorities, a lack of clarity regarding what being a "willing partner" means in practice, the collaborative working at this scale may result in limited positive outcomes.

2.20 As we address in more detail below, it is vital that the collaborative working between the GLA and the WSE authorities continues and is augmented with the objective of securing an effective strategic policy response. To illustrate the opportunities for a joint strategic planning approach being adopted within the WSE, we have reviewed duty to cooperate arrangements, preparation of joint evidence and the implications of coordinated plan-making activity at a sub-regional geography.

Case Study: Oxfordshire

2.21 In 2014, a jointly commissioned SHMA was published for Oxfordshire. This established OAN figures for each of the five local authorities within Oxfordshire, based upon relatively high levels of forecast economic growth. The SHMA has largely been uncontested through Local Plan EiPs and those Oxfordshire authorities within adopted or emerging plans are based upon meeting the OAN.

2.22 Joint working under the duty to cooperate has been undertaken through the Oxfordshire Growth Board (OGB). Each of the five Oxfordshire local planning authorities and Oxfordshire County Council (OCC) are represented on the OGB. The OGB was established, in part, to oversee a 'post-SHMA work programme' including, notably, agreeing an apportionment of housing need across Oxfordshire having regard to the constraints restricting Oxford City's ability to meet its own housing need within its administrative boundaries. The four other Oxfordshire authorities are at different stages of preparing Local Plans which provide support for addressing the City's unmet housing need.

2.23 OCC published an Infrastructure Strategy in 2017. This identifies a spatial approach to growth and infrastructure investment, based upon identified corridors across the County.

2.24 Alongside the production of the Oxfordshire Infrastructure Strategy, the OGB announced in November 2017 that the Oxfordshire Councils and the Oxfordshire LEP (OxLEP) had agreed a Housing and Growth Deal with Government, securing £215m in central funding to support growth over the next five years. The Deal is underpinned by the commitment from the authorities to deliver 100,000 new homes by 2031.

2.25 The OGB has resolved to commence the preparation of a Joint Statutory Spatial Plan (JSSP) with the aim of this being adopted by spring 2021. It is understood that the JSSP will provide the plan strategy for delivery the delivery of 100,000 new homes by 2031 and a spatial vision for longer term growth to 2050. The longer-term economic potential of the area associated with new infrastructure provision, and the level of housing provision required to support this growth, will need to reflect the aspirations for the area which have been agreed with Government.

2.26 The preparation of the JSSP and the Oxfordshire Housing and Growth Deal is to be progressed as part of the wider strategic planning context of the Cambridge-Milton Keynes-Oxford Growth Arc which is being promoted by the NIC and received Government support through the 2017 Autumn Budget. The preparation of the JSSP will fit within the future governance structure for this corridor, to be established to guide the delivery of development and infrastructure to meet the growth needs and aspirations of the area. We note that that the Growth Arc is identified as one of the thirteen SIPs in Figure 2.15 of the Plan.

2.27 As set out in our assessment of the Deliverability of Strategic Infrastructure Priorities (**Appendix 2**), the Cambridge-Milton Keynes-Oxford Growth Arc provides a useful template for how strategic infrastructure provision could be planned and Government funding allocated in order to support a "transformational level of growth" for this area. In our view, the work being undertaken by the NIC supporting the Cambridge-Milton Keynes-Oxford Growth Arc could form the basis for bringing forward sub-regional infrastructure led growth plans elsewhere within the WSE.

Case Study: Surrey

2.28 Surrey is a County predominantly located within the Metropolitan Green Belt. It is also subject to environmental constraints including the Thames Basin Heaths Special Protection Area (TBHSPA) and Area of Outstanding Natural Beauty (AONB). Historically, the level of growth planned for and delivered within Surrey has been restricted by these constraints.

2.29 Like Oxfordshire, planning for future growth in Surrey benefits from the governance structure established through the preparation of the former Structure Plan prepared by Surrey County Council in consultation with the Surrey Borough Councils. Today, Surrey Planning Officers meet as part of discharging the duty to cooperate to guide Local Plan preparation. Local authorities have generally 'clustered' in cross-boundary Housing Market Areas (HMAs) e.g. the West Surrey HMA comprising Woking, Guildford and Waverley; Runnymede-Spelthorne HMA; Surrey Heath Borough, which joined with Rushmoor and Hart, both of which are within Hampshire.

2.30 Surrey is covered by two LEPS: Enterprise M3 which covers western Surrey and north Hampshire, and Coast to Capital which covers eastern Surrey and part of West Sussex. The Enterprise M3 LEP consulted on a document entitled, 'Developing an Industrial Strategy for our Area' in Autumn 2017. It proposes five priorities for an Enterprise M3 Industrial Strategy including: driving inward investment, working with Government to encourage foreign direct investment (FDI), and packaging this with investment in key infrastructure priorities; and developing a limited number of major strategic deal propositions for development of the housing and commercial space our economy needs to grow, underpinned by transport investment. These would be focused on places where there is an appetite for (and the ability to achieve) growth at scale.

2.31 The EM3 consultation document advises under the remit of 'investing in internationally competitive places' that:

> **"The [EM3] LEP might seek – on its own or as part of Transport for the South East (TfSE) – a corridor review by the National Infrastructure Commission (NIC), similar to that carried out for the Oxford-Cambridge Corridor. This would help define the strategic opportunities and build national interest. It would be important to agree a set of criteria for identifying strategic propositions that stakeholders and businesses accept."**
>
> **"In the medium term, the LEP and partners could agree two to three areas / corridors to focus investment, and the LEP could begin to promote these opportunities to private investors and Government, in partnership with local authorities."**

2.32 The EM3 Industrial Strategy is expected to be published later in 2018. The strategy potentially serves as a less-well advanced and distinct growth corridor strategy. It demonstrates an approach for securing broad agreement to a strategic approach founded upon economic growth and new infrastructure delivery. In our view, it demonstrates that there should be no impediment for other locations holding a debate about sub-regional growth including with Government regarding the support which it could, and should, offer to authorities within the WSE.

2.33 Further progress should be made by the EM3 LEP and the local authorities within this area and inform the strategic approach to helping to meet the development needs of the WSE including London's unmet housing need.

3.0 LONDON'S HOUSING NEED AND SUPPLY

3.1 Barton Willmore has undertaken an assessment of housing need and deliverability to support these representations, a copy of which is provided at **Appendix 1** of these representations. This report focuses on the level of housing need identified within the 2017 SHMA and the Plan's annual housing target of 65,000 dpa. The report gives consideration to the ability of London to meet this target in the context of past housing completions in London and what we consider to be a realistic expectations of future delivery.

3.2 As context, the current position is that there is a substantial shortfall on meeting London's housing need – of around 17,000 dpa, comparing the FALP OAN of 49,000 dpa to past completions of 32,100 dpa – and this is largely ignored through Local Plan preparation within the WSE.

Housing Need

3.3 The 2017 London SHMA identifies a need for 66,000 dwellings per annum (rounded) across London. This figure does not feature within any of the Plan's policies. Notwithstanding this, housing need for London could be in excess of 72,400 dpa based on the Government's proposed standard methodology for assessing need as it is currently proposed. The uncapped standard methodology indicates a need for 95,300 dpa across London (see **Appendix 1**; Table 2.1).

3.4 The uncapped standard methodology figure is 44% above the London SHMA figure and the difference between the two figures (about 29,300 dpa) represents approximately 10% of the country's total housing need.

3.5 The Plan (Policy H1) provides the net housing completions which each local planning authority should plan for (2019-2028). In total, the Plan proposes 65,000 dpa which compares with 42,000 dpa under the existing FALP. The Plan proposes an increase in delivery of 53% compared with the FALP, to be achieved annually from the Plan's adoption in 2019 onwards.

Deliverability

3.6 Our analysis of past housing completions in each London Borough presented in this report (Section 4) has demonstrated that over the past 5-years (2011/12 to 2015/16) there have only been an average of 32,100 dpa completed (see **Appendix 1**; Table 4.1). To achieve the Plan's housing targets would require a 105% increase compared with past delivery.

3.7 The theoretical nature of the SHLAA raises significant questions over the deliverability of the sites assessed and the volume of units identified through the SHLAA modelled process.

3.8 As currently drafted, the Plan would result in an annual shortfall in housing provision i.e. unmet need of approximately 1,000 dpa against the need identified in the SHMA. The Plan makes no commitment for how this shortfall will be addressed nor any contingency in the event that delivery falls short of the Mayor's expectations. This is wholly inadequate given the current position through the FALP and the risks of significant under delivery continuing. We conclude that the <u>shortfall</u> in housing provision will be significantly larger, with a realistic overall London-wide target of 53,000 dpa – resulting in annual shortfall of approximately 20,000 dpa.

3.9 Taking all of the above into account, we seek modifications to Policy H1 to include an increased housing requirement to at least the 'capped' standard method housing figure of 72,400 dpa. Alongside this, realistic housing targets, potentially totalling up to 53,000 dpa, should replace those currently set out under Policy H1. The unmet housing need resulting from the Plan – of some 20,000 dpa (approx.) should be confirmed within Policy H1.

4.0 THE NEED FOR AN EFFECTIVE STRATETGIC RESPONSE

4.1 The consequences of the London Plan being adopted absent of a robust approach being taken to assessing housing need and/or basing the strategy upon wholly unrealistic expectations of increased housing delivery within London can be seen in the outcome of the FALP.

4.2 This current situation is wholly unacceptable and we have difficulty appreciating the apathetic response since the FALP's adoption in 2015. It is virtually unthinkable that the Plan would allow this outcome to be perpetuated through a plan approach which is very likely to deliver substantially less housing that the identified level of need.

4.3 Positively, this London Plan represents a clear opportunity to help resolve the clear failures of the FALP. We wish to support the production of a sound plan by presenting modifications to resolve the soundness concerns we have raised in respect of the planned housing provision and, consequently, Policies SD2 and SD3 in the Plan relating to the WSE.

4.4 We have set out in Chapter 3 above that modifications are required to Policy H1, to identify the housing need and proposed housing targets across all of London's Boroughs – which should be increased to 72,400 dpa and up to 53,000 dpa respectively. Consequently, Policy H1 should also set out the unmet housing need, cross-referencing Policies SD2 and SD3 in the Plan which set the framework supporting the delivery of strategic infrastructure and increased growth across the WSE.

Policy SD2

4.5 Policy SD2 – 'Collaboration in the Wider South East' include 4 parts. We respond to each of these turn below:

Part A

4.6 Part A states that the Mayor will work with partners across the WSE to address appropriate regional and sub-regional challenges and opportunities through recently-developed strategic coordination arrangements.

4.7 It is surprising that the Plan provides very little to explain the "appropriate regional and sub-regional challenges and opportunities" that are well-documented through years of strategic collaboration between the GLA and the WSE authorities. Whilst the detailed evidence presented is out-of-date, the regional and sub-regional challenges were summarised in presentation slides for the GLA's Assistant Director for Planning in March 2015, entitled, 'London's growth: do we need a regional plan?' (see **Appendix 3**).

4.8 The challenges have subsequently been debated through the WSE PSG and OWG, and debated at four WSE Summits held since 2015.

4.9 In the absence of a clear understanding of what is and is not an "appropriate regional and sub-regional challenge and opportunity", it will be very difficult to monitor the effective of this part of the policy.

4.10 Similarly, Part A of Policy SD2 refers to "recently-developed strategic coordination arrangements". It appears that this refers to the collaboration between the GLA and WSE authorities which has taken place since early 2015, as indicated in paragraph 2.2.4 of the Plan. Part A should be clear that the strategic coordination arrangements means this non-statutory structure.

4.11 In our view, there would be significant benefits of this structure being established on a statutory basis with a Memorandum of Understanding agreed by all Members. This could help to bridge the tension between the Mayor's statutory Duties to Inform and Consult and the Duty to Co-operate which applies to local planning authorities, both within and outside of London, as summarised in paragraphs 2.2.6-2.2.7 of the Plan.

Part B

4.12 As we have set out in response to Part A, above, the many years of collaboration has provided every opportunity to secure an effective and consistent strategic understanding of the demographic, economic, environmental and transport issues facing the WSE through consistent technical evidence.

4.13 We broadly support Part B of Policy SD2, however, we recommend that it is reworded so that the Plan refers to this consistent technical evidence and understanding of the strategic issues having been secured. It would be appropriate for Part B to require this to be regularly updated.

Part C

4.14 Whilst we consider there to be merit in the Mayor considering whether his Duties to Inform and Consult should be revised, to reflect the Duty to Co-operate which applies to authorities within the WSE, we acknowledge that this may not be possible prior to the anticipated adoption of this Plan.

4.15 We broadly support the approach set out under Part C of Policy SD2 requiring the Mayor to respond to their Duty to Co-operate requests for views on Development Plans insofar as they bear strategically on London. It should be clear, through the Memorandum of Understanding underpinning cross-boundary collaboration, that such requests will be made by all WSE authorities when preparing their Development Plans. In the absence of such a commitment, we are concerned that decisions on which WSE Development Plans bear strategically on London will be ambiguous.

4.16 Having regard to the substantial unmet housing need which should be set out in Policy H1 of the Plan, as set out above, Part C of Policy SD2 should specifically refer to demonstrating that the ability to meet London's unmet housing need has been robustly assessed through preparing new Development Plans in the WSE.

Part D

4.17 We question whether Part D of Policy SD2 is complementary to the requirement in Part B of Policy SD2 which seeks to secure consistent technical evidence. The Plan should be clear about this, including any conflict with the Government's standardised method for assessing housing need (see Appendix 1; paragraph 3.10).

4.18 We note the position set out at paragraph 2.2.9 of the Plan advising that the GLA has prepared "authoritative and consistent demographic projection across the whole of the UK". It adds that Partners are exploring the scope to collate other consistent regional datasets. In our view, a definitive position should be agreed and confirmed through the Plan. This provides the GLA and, principally, the WSE authorities with approximately 12 months to agree such an approach – an objective which should be readily achievable.

Part E

4.19 We are concerned that the only reference in Part E of Policy SD2 to the delivery of housing is the identification of “barriers to housing and infrastructure delivery” as one of a number of “strategic concerns”.

4.20 Part E needs to be much clearer in identifying and acknowledging the requirement for the Mayor to work with WSE Partners in helping to meet the development and infrastructure needs of London, including London’s housing need which cannot be delivered within its own boundaries. Part E of Policy SD2 should cross-refer to a strategic approach set out in Policy SD3 (as we comment on below).

Policy SD3

4.21 Policy SD3 – ‘Growth locations in the Wider South East and beyond provides two parts.

Part A

4.22 We generally support the commitment to a strategic approach being taken by the Mayor and WSE Partners to asses and plan for the delivery of growth. We particularly support the reference to the Government’s involvement in recognition of the important role which it will have in supporting the identification and delivery of growth locations in the WSE.

4.23 However, we do not consider Part A of Policy SD3 to be effective and is unsound. There is a lack of clarity in Part A regarding which are the “relevant WSE Partners”; what is “the potential of the wider city region and beyond”; whether “the wider city region” means the WSE or whether this is a different (and undefined) geography; and why the Mayor’s role under the terms of Part A of Policy SD3 would not extend to supporting housing and business development outside of “growth locations” within the WSE.

4.24 Part A refers to ‘realising the potential of the wider city region and beyond’. Notwithstanding the concerns summarised above, we support an approach which would be focused on supporting economic growth, akin to the approach being pursued through the Cambridge-Milton Keynes-Oxford Growth Arc.

4.25 Significantly, Policy SD3 does not identify the growth locations which are the vital component in realising the potential of the WSE including accommodating London's unmet housing (and other) development needs. Reliance on willing partners which have yet to be identified despite more than three years of cross-boundary collaboration is an unsound approach. This failure is addressed below.

Part B

4.26 Part B of Policy SD3 states that the Mayor supports "recognition of these growth locations with links to London in relevant Local Plans."

4.27 It is unclear what supporting the recognition of a growth location would mean in practice. We note that reference is made in paragraph 2.3.5 of the Plan to partnership work and that an area of focus of this could be proposals for new/garden settlement with good links to London. In the absence of any further detail, we consider this wording to be unsound as it would not provide an effective policy.

4.28 As stated above, the Plan identifies thirteen SIPs across the WSE. These are identified in Figure 2.15 in the Plan and listed on page 65. An assessment of the Deliverability of Strategic Infrastructure in the South East has been undertaken by Barton Willmore's Infrastructure Team. A copy of this report is provided at **Appendix 2**.

4.29 This report demonstrates that the thirteen SIPs identified in the Plan vary considerably regarding the prospects for delivery, particularly in the short to medium term. There are few projects with a high certainty of delivery, and those with medium certainty are dependent on government funding decisions either directly (Crossrail 2) or through Highways England's Road Investment Strategy or Network Rail's Control Period funding.

4.30 The report also notes that relationships between the Opportunity Areas and Growth Corridors within London, identified under Policy SD1 of the Plan, and the related SIPs beyond London's boundaries, need to be addressed as part of any collaborative work under Policy SD3. The Mayor should ensure that this approach to WSE growth locations in Policy SD3 is consistent with and linked to the strategic set out in Policy SD1 of the Plan. There could be a rationale for those WSE authorities located beyond the identified Opportunity Area and Growth Corridors within London, which would also benefit from planned strategic infrastructure, to be a focus for increased growth.

4.31 Alongside the assessment of the SIPs, summarised above, Chapter 5 of the Housing Need and Deliverability Report provided at **Appendix 1** includes analysis of past trends on out-migration from London to the WSE. This indicates where the greatest pressures on the local housing market and affordability. The report also includes analysis of recent annual housing completions in all WSE authorities compared against draft standardised method housing need figures (see Figure 5.6). This indicates that housing delivery has generally fallen short of identified need in areas where out-migration from London is highest.

4.32 In conclusion, we recommend that Policy SD3 and its supporting text be amended to provide a clearer indication of deliverable SIPs, and the associated growth locations which would be supported through their delivery. We strongly encourage the Mayor and the WSE authorities to focus upon the identification of willing partners including progressing discussions with Government regarding the delivery of SIPs and potential Growth Deals. It is not an unrealistic expectation that the ongoing collaboration between the GLA and the WSE authorities should have progressed sufficiently to identify willing partners/growth locations prior to the Plan's Examination in 2019.

5.0 CONCLUSIONS

5.1 Barton Willmore LLP is instructed by a Consortium of housebuilder, developer and land promoter clients, comprising Crest Nicholson, Wates Developments, Gallagher Estates, Lands Improvement Holdings and Cala Homes, to submit the following representations in response to the Draft London Plan ('the Plan').

5.2 These representations deal with the London Plan's relationship with the Wider South East (WSE). They focus upon the Housing and Spatial Development Patterns sections of the Plan. The representations are supported by: a Housing Need and Deliverability Report (March 2018) prepared by Barton Willmore's Development Economics team (**Appendix 1**), and a report assessing the Deliverability of Strategic Infrastructure in the Wider South East (February 2018) prepared by Barton Willmore's Infrastructure team (**Appendix 2**).

5.3 These representations set out the Consortium's objections to the Plan and the failure to resolve the existing situation whereby London's substantial unmet housing need is largely ignored through Local Plan preparation within the WSE.

5.4 The Plan proposes modifications to Policies H1, SD2 and SD3. These seek to provide a robust strategic approach to securing the delivery of SIPs alongside growth within identified growth locations but also other opportunities within the WSE.

5.5 It is vital that the Plan identifies willing partners which could help to meet the significant shortfall in meeting London's housing needs within London itself. Similarly, the Plan must also identify growth locations where there is a realistic prospect that increased growth will be secured. We fully support the Mayor and WSE Partners in working with the Government to secure the necessary funding deal to support this approach.

5.6 On behalf of our clients, we reserve the right to appear and participate in the Examination in Public (EiP) of the Plan in order to present in full the Consortium's case including responding to additional information which may be published by the GLA, the WSE authorities and other participants prior to the EiP hearings.

Appendix 1

Housing Need and Deliverability Report (February 2018)

DRAFT LONDON PLAN

Housing Need and Deliverability

March 2018

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PLANNING / DESIGN / DELIVERY

DRAFT LONDON PLAN

HOUSING NEED AND DELIVERABILITY

February 2018

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Date: 2 March 2018

CONTENTS

EXECUTIVE SUMMARY

i. This Report intends to inform representations to the Draft London Plan consultation ending on the 2 March 2018, in respect of London's housing needs.

ii. The Draft Plan, within Policy H1, sets out net housing completion targets for each London Borough over a 10-year period, totalling 65,000 dwellings per annum for London as a whole. This provides a 53% uplift to the London target of 42,385 dwellings per annum set out in the previous Further Alterations to the London Plan (FALP).

iii. The increase in the housing requirement demonstrates commitment by the Greater London Authority (GLA) to provide the homes that Londoner's need. However, the housing need evidence base of the Draft London Plan, namely the 2017 London Strategic Housing Market Assessment (SHMA), identifies a total need for 66,000 dwellings per annum in London.

iv. On this basis, the Draft London Plan is making provision for 1,000 dwellings per annum fewer than identified is required by the 2017 London SHMA.

v. However, in reviewing the 2017 London SHMA, this report identifies that need of 66,000 dwellings per annum would only support economic growth of 29,500 jobs per annum which is the level of growth assumed by the GLA's low economic growth scenario. The GLA's central economic growth variant projects growth of 49,000 jobs per annum. In the context of past employment growth trends for London and current forecasts by Oxford Economics, the central variant projection in London is achievable and would therefore warrant an increase to planned housing numbers.

vi. This report also identifies an increase to planned housing numbers would be required in London according to the Government's proposed Standard Methodology. Intended to provide a consistent and simplified approach to assessing housing need across the Country, the Standard Method would see a need for 72,400 dwellings per annum (capped) in London, underpinned largely by the Government's official household projections. The 2017 London SHMA's identified need of 66,000 dwellings per annum has been based on an alternative 10-year migration trend. Whilst we acknowledge the reasons for this, London's use of an alternative demographic projection will result in an inconsistent assessment of housing need across the country. Given that London's housing needs represent 27% of the country's total housing need, if the true level of housing need in London is 72,400 dwellings per annum, and the Draft London Plan is only making provision for 65,000 dwellings per annum, then this is likely to have significant implications on the rest of the country, especially the Wider South East.

vii. This Report presents analysis of migration flows from London, which clearly demonstrates strong flows of people migrating out of London to the Wider South East. Whilst moves are strongest to those authorities bordering London, there have been increased moves to authorities further afield, likely to be influenced by affordability and availability of suitable housing.

viii. Furthermore, this Report demonstrates that over the last 5-years (2011/12 to 2015/16) net housing completions in London have only averaged 32,100 dwellings per annum. On this basis, there is doubt as to whether London is able to meet all of its own needs as the Draft London Plan intends.

ix. Based on the GLA's own evidence, there is already 1,000 dwellings per annum of unmet need arising from London (need of 66,000 dpa versus draft Plan target of 65,000 dpa). If housing completions in London continue at the historic rate (32,100 per annum), unmet need from London could potentially be equivalent to c.34,000 dwellings per annum based on the SHMA's assessed level of need; based on housing need according to the standard methodology, unmet need from London could potentially be equivalent to 40,300 dwellings per annum.

x. Any unmet need arising from London will therefore have a significant impact on the housing needs of local authorities within the Wider South East. Given that many South Eastern authorities will be facing increased pressures to meet their own housing needs once the Government's proposed Standard Method becomes officially adopted, it is essential that London is realistic in the housing policies of the Draft London Plan in order to minimise any unforeseen impacts on the Wider South East in the future.

1.0 INTRODUCTION

1.1 This Report has been prepared by Barton Willmore LLP on behalf of various clients with development interests across the Wider South East. It has been produced to assist with representations to the Draft London Plan consultation ending on 2 March 2018.

1.2 The focus of this Report is on the level of housing need identified within the 2017 London Strategic Housing Market Assessment (SHMA) and the Draft London Plan's annual housing target of 65,000 dwellings per annum (2016-2041). This report gives consideration to the ability of London to meet this target in the context of past housing completions in each London Borough.

1.3 In doing so, particular consideration is given to the impact on authorities within the Wider South East, should London not meet its own housing needs.

1.4 The Report is structured as follows:

Section 2: National Policy Context: The Approach to Assessing Housing Need summarises the current and proposed methodological approach taken in carrying out the objective assessment of housing need as prescribed by Central Government (MHCLG).

Section 3: Local Policy Context: The Draft London Plan provides a summary of the objectives in the Draft London Plan in respect of housing, setting out the proposed housing targets for each London Borough and how these compare to those in the current adopted London Plan 2016. The Draft Plan's intentions for the relationship between London and the Wider South East is also explored.

Section 4: Greater London Authority Evidence Base Review. This section undertakes a review of the housing evidence supporting the Draft London Plan, namely 'The 2017 London Strategic Housing Market Assessment' (November 2017).

Section 5: London's Unmet Need and the Consequences for the Wider South East explores the pressures facing local authorities within the Wider South East in meeting their own needs, along with unmet need from London.

Section 6: Summary and Conclusions provides a summary of the evidence and analysis presented in this Report, concluding with key issues to raise in representations to the Draft London Plan consultation.

2.0 THE NATIONAL POLICY CONTEXT: THE APPROACH TO ASSESSING HOUSING NEED

2.1 The requirement for all Local Planning Authorities (LPAs) to base their housing targets on objective assessments of need is rooted in National Planning Policy – specifically the National Planning Policy Framework (NPPF) and the accompanying Planning Practice Guidance (PPG).

2.2 Within this Section we provide a summary of the current national planning policy and guidance in relation to the assessment of housing need, along with the Government's emerging proposals.

i) Current National Planning Policy and Guidance

2.3 The NPPF is very clear that:

1. Planning should proactively drive and support sustainable economic development to deliver the homes that the country needs, and that every effort should be made to objectively identify and then meet housing needs, taking account of market signals (paragraph 17).

2. Local authorities should boost significantly the supply of housing, and in doing so ensure that Local Plans meet the full, objectively assessed needs for market and affordable housing in the housing market area (paragraph 47).

3. With regard to plan-making, local planning authorities are directed to set out strategic priorities for their area in the Local Plan, including policies to deliver the homes and jobs needed in the area (paragraph 156).

4. Local Plans are to be based on up to date and relevant evidence, integrating assessments of and strategies for housing and employment uses, taking full account of relevant market and economic signals (paragraph 158).

5. For plan-making purposes, local planning authorities are required to clearly understand housing needs in their area. To do so they should prepare a Strategic Housing Market Assessment (SHMA) that identifies the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period (paragraph 159)

6. Local Plans should be aspirational but realistic (paragraph 154).

7. Local authorities, working closely with the business community should identify and address barriers to investment, including a lack of housing, infrastructure or viability (paragraph 161).

2.4 The current PPG (section PPG2a – Housing and Economic Development Needs Assessments (HEDNA)) provides a stepped approach to the assessment of full objectively assessed housing need (OAHN), as described by NPPF paragraph 159.

2.5 Following the identification of a housing market area, the PPG HEDNA identifies a four-step process for identifying the full OAHN:

- **Step 1**) Use the household projections published by the Ministry of Housing, Communities and Local Government (MHCLG) to identify the starting point estimate of housing need (ID2a 015);
- **Step 2**) Provide any necessary adjustment to the starting point estimate to address issues inherent in past demographic trends (including suppressed migration trends and suppressed household formation) (ID2a 017);
- **Step 3**) Provide any necessary adjustment to ensure that future job growth based on past trends and/ or forecasts can be supported (ID2a 018);
- **Step 4**) Undertake an assessment of five market signals indicators and if a worsening trend is observed in any of the indicators, provide an upward adjustment to housing numbers to improve housing affordability (ID2a 020).

ii) Emerging National Policy

2.6 The Housing White Paper (Fixing our Broken Housing Market) was published in February 2017 and acknowledged a **need for 225-275,000 new homes per annum** to keep up with population growth and start to tackle years of under-supply in the country.[1] However, in the November 2017 Autumn Budget the Chancellor Philip Hammond announced plans to build 300,000 homes per year in the country stating:

> **"I'm clear that we need to get to 300,000 units a year if we are going to start to tackle the affordability problem, with the additions coming in areas of high demand."**

[1] Paragraph 2, 'Our housing market is broken', page 9, 'Fixing our broken housing market', February 2017

2.7 The Housing White Paper acknowledges that one of the main problems leading to significant under-supply of housing has been the failure of local authorities to plan for the homes they need,[2] and consequently the ratio of average house prices to average earnings has more than doubled since 1998. [3]

2.8 In seeking to address these problems, the White Paper states how a 'radical rethink' of the approach to home building is required. This includes the existing approach to establishing the OAHN as set out in the PPG HEDNA. The White Paper therefore states the following in respect of how the OAHN is proposed to be reformed:

> **"at the moment, some local authorities can duck potentially difficult decisions, because they are free to come up with their own methodology for calculating 'objectively assessed need'. So, we are going to consult on a <u>new standard methodology</u> for calculating 'objectively assessed need' and encourage councils to plan on this basis."** [4]

2.9 The Government consulted on its proposals for the new Standard Methodology in the 'Planning for the right homes in the places' consultation during September to November 2017.

2.10 The **Standard Methodology** proposes a simplified three stepped approach to assessing housing need:

- **Step 1) Setting the baseline:** Average annual growth from the most recent 10-year period (currently 2016-2026) drawn from the most recent MHCLG household projections (currently 2014-based series);
- **Step 2) Making an adjustment to take account of market signals:** Based on the median workplace-based affordability ratio for the most recent year available (currently 2016). A prescribed uplift to the household projection is applied where the ratio exceeds 4.0;
- **Step 3) Capping the level of any increase:** A cap of 40% is imposed, applied to either the adopted Local Plan target where the adopted plan is less than 5 years old, or to the <u>higher of either</u> the adopted Local Plan target <u>or</u> the household projection, where the adopted plan is more than 5 years old.

2.11 MHCLG's published table which accompanied the consultation proposals, confirms that based upon this methodology the housing need for the whole of England would total 265,936 dwellings per annum. Housing need across all London authorities would total 72,407 dwellings

[2] Paragraph 4, 'Our housing market is broken', page 9, 'Fixing our broken housing market', February 2017
[3] Paragraph 5, 'Our housing market is broken', page 9, 'Fixing our broken housing market', February 2017
[4] Paragraph 7, 'What we're going to do about it', page 14, 'Fixing our broken housing market', February 2017

per annum (dpa), which represents 27% of the Country's total housing need. Uncapped, housing need in London would be 95,267 dpa. Table 2.1 presents the capped and uncapped housing need for each London Borough according to the Standard Methodology.

Table 2.1: Capped and uncapped housing need according to the Standard Method

	MHCLG Standard Method - Capped	MHCLG Standard Method - Uncapped
Barking	2,089	2,089
Barnet	4,126	4,863
Bexley	1,723	1,772
Brent	2,855	3,415
Bromley	2,564	2,907
Camden	1,568	3,532
City	120	121
Croydon	1,414	3,543
Ealing	2,432	3,017
Enfield	3,330	3,710
Greenwich	3,317	3,317
Hackney	3,251	4,119
Hammersmith	980	1,440
Haringey	1,148	3,592
Harrow	1,959	2,342
Havering	1,821	1,938
Hillingdon	595	2,912
Hounslow	1,151	2,750
Islington	2,583	3,113
RBKC	824	824
Kingston	1,527	1,828
Lambeth	1,673	3,124
Lewisham	3,181	3,401
Merton	1,585	1,997
Newham	3,840	3,964
Redbridge	2,981	3,357
Richmond	1,709	2,314
Southwark	3,089	3,509
Sutton	1,774	1,916
Tower Hamlets	4,873	4,873
Waltham Forest	2,416	2,875
Wandsworth	2,414	2,824
Westminster	1,495	3,969
London Total	**72,407**	**95,267**

Source: MHCLG

2.12 Unlike the existing PPG HEDNA methodology, the Standard Methodology, as currently proposed, does not incorporate a specific adjustment to take account of anticipated employment growth. However, the Government's proposal does state:

> **"Plan makers may put forward proposals that lead to a local housing need above that given by our proposed approach. This could be as a result of a strategic infrastructure project, or through increased employment (and hence housing) ambition as a result of a Local Economic Partnership investment strategy, a bespoke housing deal with Government or through delivering the modern Industrial Strategy."[5]**

2.13 Nonetheless, ensuring that both housing and economic evidence is integrated remains a fundamental requirement of the NPPF.

2.14 The Standard Method is intended to provide a simplified and <u>consistent</u> approach to assessing housing need across the country. For this reason, the proposal states that *'there should be very limited grounds for adopting an alternative method which results in a lower need than our proposed approach'*[6] If authorities plan for a lower level of housing, the proposal states that the reasons for doing so will be tested rigorously by the Planning Inspector through the examination of the plan.

2.15 The Standard Method holds little weight at the current time as confirmed in a s78 planning appeal at Land North of Lower Farm Road, Bromham, Bedford[7]. However, weight attached to the Standard Method will clearly increase on consultation of the revised NPPF (expected 5 March 2018) and once the final revised NPPF and Standard Method is formally published and clearly provides the Government's direction of travel in respect of assessing housing need.

2.16 The transitional arrangements currently for the proposed Standard Method are that any plans submitted for examination before the 31 March 2018, or before the revised NPPF is published (whichever is later), should be examined under the existing PPG HEDNA methodology. <u>Any plans submitted after the 31 March 2018, or after the revised NPPF is published (whichever is later), should be examined using the new standardised method</u>.

2.17 In this respect therefore, there is a strong possibility that the Standard Method will be in place by the time the new London Plan is submitted for examination and therefore it is important to understand the implications of the Standard Method on housing need for London and how this

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[5] Paragraph 46, 'Planning for the right homes in the right places consultation', September 2017
[6] Paragraph 47, 'Planning for the right homes in the right places consultation', September 2017
[7] APP/K0235/W/17/3167566, 5 October 2017, paragraph 33

differs to the level of need assessed by the Greater London Authority (GLA) as discussed in Sections 3 and 4 of this Report.

3.0 LOCAL POLICY CONTEXT: THE DRAFT LONDON PLAN

i) Introduction

3.1 This section of our report summarises the key objectives and policies of the Draft London Plan in respect of delivering homes. This is considered in the context of the existing Further Alterations to the London Plan (FALP) document, and the Draft London Plan's central concept of ensuring 'Good Growth'; that which is socially and economically inclusive and environmentally sustainable.[8]

ii) The Draft London Plan (December 2017)

3.2 To ensure that London's growth is 'Good Growth', each of the policy areas in the Plan is informed by six 'Good Growth' policies.

3.3 Good Growth Policy GG4 – 'Delivering the homes Londoners need' the Plan states how those involved in planning and development must do the following:

- Ensure that more homes are delivered;
- Support a target of 50% genuinely affordable housing provision;
- Establish ambitious and achievable build-out rates at the planning stage, to ensure homes are built quickly. [9] (Our emphasis)

3.4 Chapter 4 of the Draft London Plan provides detailed policies for the delivery of housing and at the outset, Policy H1 – 'Increasing housing supply' provides the net housing completions which each local planning authority should plan for. However, it is important to note that the housing targets are for the next 10-years, and not the entire plan period. This will cause problems for local planning authorities trying to address their own housing requirements.

3.5 In total the Draft Plan proposes 65,000 new dwellings per annum (dpa) which compares with 42,000 dpa under the existing FALP. Table 3.1 provides a comparison of FALP and Draft Plan targets for the individual Boroughs.

[8] Paragraph 0.0.18, page 5, The Draft London Plan, December 2017
[9] Policy GG4 Delivering the homes Londoners need, page 5, The Draft London Plan, December 2017

Table 3.1: Housing Delivery Targets; FALP (2015) v Draft London Plan (2017)

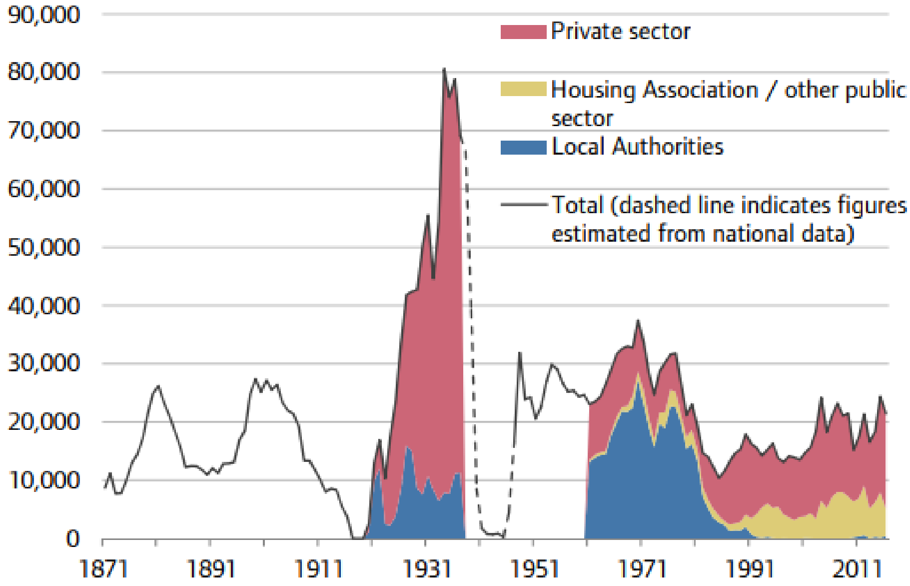
	FALP	**Draft Plan**	**Draft Plan change from FALP**
Barking	1,236	2,264	83%
Barnet	2,349	3,134	33%
Bexley	446	1,245	179%
Brent	1,525	2,915	91%
Bromley	641	1,424	122%
Camden	889	1,086	22%
City	141	146	4%
Croydon	1,435	2,949	106%
Ealing	1,297	2,807	116%
Enfield	795	1,876	136%
Greenwich	2,685	3,204	19%
Hackney	1,599	1,330	*-17%*
Hammersmith	1,031	1,648	60%
Haringey	1,502	1,958	30%
Harrow	593	1,392	135%
Havering	1,170	1,875	60%
Hillingdon	559	1,553	178%
Hounslow	822	2,182	165%
Islington	1,264	775	*-39%*
RBKC	733	488	*-33%*
Kingston	643	1,364	112%
Lambeth	1,559	1,589	2%
Lewisham	1,385	2,117	53%
LLDC	1,471	2,161	47%
Merton	411	1,328	223%
Newham	1,994	3,850	93%
OPDC		1,367	
Redbridge	1,123	1,979	76%
Richmond	315	811	157%
Southwark	2,736	2,554	*-7%*
Sutton	363	939	159%
Tower Hamlets	3,931	3,511	*-11%*
Waltham Forest	862	1,794	108%
Wandsworth	1,812	2,310	27%
Westminster	1,068	1,010	*-5%*
TOTAL	**42,385**	**64,935**	**53%**

Sources: FALP, Draft London Plan

3.6 The Draft London Plan proposes an increase in delivery of 53% compared with the existing FALP. This is said to be underpinned by a London-wide SHMA carried out on behalf of the Mayor and showing need for 66,000 dpa.[10] Section 4 of this Report reviews the SHMA. The Draft Plan therefore aims to deliver all but 1,000 dpa of the annual need determined by the SHMA, but nonetheless, this means that unmet need of 1,000 dpa will arise, which in all likelihood (as analysis in Section 5 of this Report suggests), will need to be met by authorities within the Wider South East.

3.7 The Draft Plan identifies the goal of *"roughly doubling the current rate of homebuilding"* [11] by containing a housing target of 65,000 dpa The Draft Plan also considers that it can provide this within its boundaries, stating that *"this Plan aims to accommodate all of London's growth within its boundaries without intruding on its Green Belt or other protected open spaces. As with any successful urban area this does not mean that in and out migration will cease, but that as far as possible sufficient provision will be made to accommodate the projected growth within London."* [12] However, the target of 65,000 dpa should be considered in the context of historic completions since the beginning of the 20th century (see Figure 3.1). This shows how delivery of the quantum proposed in the draft London Plan has not been achieved since the late 1930s and therefore it is considered unlikely that London will be able to meet the target of 65,000 dpa going forward. In the following section of this report we test the reality of meeting the Draft Plan's housing target of 65,000 dpa in full.

Figure 3.1: Historic Levels of Housing Completions in London



Source: Fig 3, The 2017 London SHMA

[10] Paragraph 4.1.1, page 148, The Draft London Plan, December 2017
[11] Foreword, page XV, The Draft London Plan, December 2017
[12] Paragraph 2.3.1, page 62, The Draft London Plan, December 2017

3.8 Notwithstanding past completions and the target of the Draft Plan, the previous section of this report identified how the Ministry of Housing, Communities and Local Government's (MHCLG) recent *'Planning for the Right Homes in the Right Places'* consultation proposals for a new standardised method for calculating local housing need, shows need of 72,400 dpa across London. This is based on the application of a 'cap' to the proposed affordability uplift, as explained in Section 2 of this report. If the calculation is 'uncapped', the Standard Method suggests need of 95,300 dpa across London. In turn this shows that unmet need against the Draft Plan could be up towards 30,000 dpa.

iii) The Draft London Plan – Role of the Wider South East (WSE)

3.9 The Draft Plan identifies the role that the Wider South East (WSE) area has to play in delivering the housing need for London, and the unmet need that could arise from a lack of delivery within the London Boroughs. To this end the Draft Plan states how the *"the Mayor is interested in* ***working with willing partners*** *beyond London to explore if there is potential to accommodate more growth in sustainable locations outside the capital. This* ***partnership work*** *could help deliver more homes, addressing housing affordability, and improve economic opportunities outside London."* [13]

3.10 The role of the Wider South East (WSE) is set out formally in Policy SD2 'Collaboration in the Wider South East'. This lists five policy objectives including that *"The Mayor supports recognition of long-term trends in migration in the development of Local Plans outside London"* and that *"the Mayor will work with WSE partners to find solutions to shared strategic concerns such as: barriers to housing and infrastructure delivery; and factors that influence economic prosperity."* [14] This highlights the Draft Plan's acceptance that the WSE has a role to play in delivering London's needs.

3.11 However, it should be noted how the Draft Plan refers to 'long-term' demographic growth projections for the WSE. These are likely to be based on the same demographic methodology as the London SHMA (this being a 10-year migration trend). This would be inconsistent with the local evidence of individual authorities outside of London, and the Standard Methodology for establishing local housing need proposed by the MHCLG. This would have the danger of ignoring the proposed Standard Methodology's central calculation based on housing affordability and the different assessments of need would give rise to difficulties in respect of double counting, or missing migrants, and assessing potential unmet need.

[13] Paragraphs 2.3.4 and 2.3.5, page 62, The Draft London Plan, December 2017
[14] Policy SD2, page 57, The Draft London Plan, December 2017

3.12 In respect of the Duty to Cooperate, the Mayor will need to demonstrate how he has taken responsibility for planning for the unmet housing need, and has a statutory duty to inform and consult 'with adjoining counties and districts' outside London (paragraph 2.2.6). This is similar to the duty to cooperate (as paragraph 2.2.7 of the London Plan discusses). The London Plan is not bound by the duty to cooperate because it is not a development plan document. We remain concerned over how the duty to cooperate will be effectively managed and implemented across the London Borough's and beyond in order to ensure that all of London's unmet need is planned and met in full.

4.0 GREATER LONDON AUTHORITY EVIDENCE BASE REVIEW

i) Introduction

4.1 This section undertakes a review of 'The 2017 London Strategic Housing Market Assessment' (November 2017), which estimates London's current and future housing requirements, which in turn have been used to inform the development of the draft London Plan and the Mayor's London Housing Strategy.

4.2 In doing so, this section also considers the scenarios for future job growth presented in the 'London labour market projections 2017' within the economic analysis component.

ii) The 2017 London Strategic Housing Market Assessment (SHMA)

4.3 At the outset it is important to note that the 2017 London SHMA estimates future housing need for Greater London as a whole – no indication of need at the individual Borough level is provided.

4.4 Whilst the draft London Plan contains housing targets for each London Borough, these targets are based on the estimated capacity for new homes in each London Borough as reported in the 2017 Strategic Housing Land Availability Assessment (SHLAA). A brief overview of the 2017 SHLAA is provided at the end of this Section. On this basis, we consider that the Borough targets set out in the draft London Plan (and summarised in Section 3 of this report) are not an objective assessment of need as required by PPG.

4.5 Nonetheless, the introduction of the 2017 London SHMA states that the assessment of need presented in the SHMA meets the requirements of PPG HEDNA and in stating this, also emphasises paragraph ID2a 005 of the PPG HEDNA which states that *'local planning authorities may consider departing from the methodology, but they should explain why their particular local circumstances have led them to adopt a different approach where this is the case.'*

Demographic analysis

4.6 Whilst the PPG HEDNA states that household projections published by the now Ministry of Housing, Communities and Local Government (MHCLG) should provide the starting estimate of overall housing need (ID2a 015), the 2017 London SHMA departs from guidance, favouring the Greater London Authority (GLA) in-house alternative projections. As explained above, the GLA are permitted under the current PPG to adopt the approach they have. However, as explained in Section 2 of this Report, the Standard Method is likely to apply by the time the new London Plan is submitted for examination.

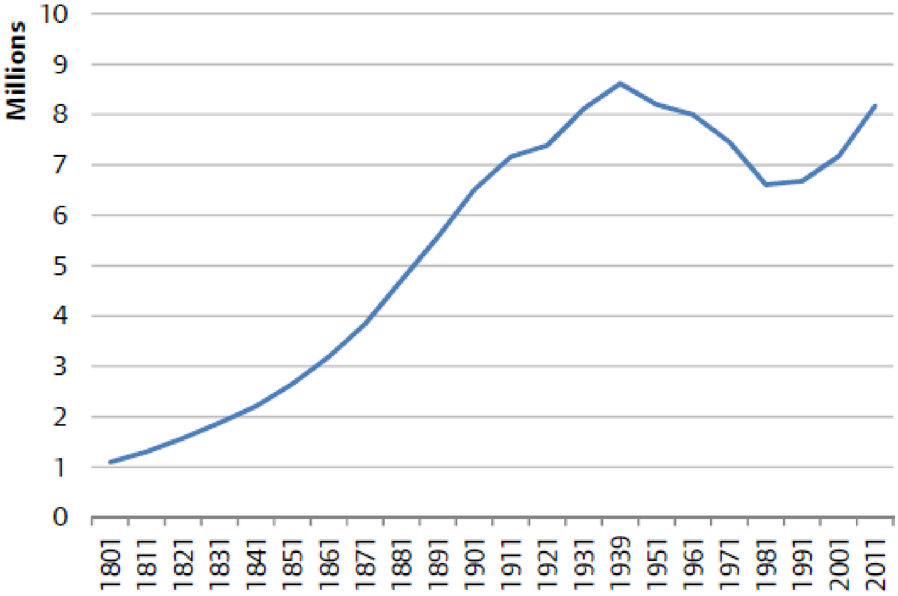
4.7 The MHCLG 2014-based household projections project growth of 54,000 households per annum across London (2016-2039), whereas the GLA central variant projection projects growth of just 48,200 households per annum (2016-2039).[15]

4.8 In addition to the central variant projection, the 2017 London SHMA also presents a short and long-term variant projection. All three variants are conceptually similar but are underpinned by migration trends drawn from different periods. The short-term variant is based on migration trends from the past 5-years; the central variant based on migration trends from the past 10-years; and the long-term variant based on migration trends from the past 15-years.

4.9 The 2017 London SHMA uses the central variant as the principal projection.[16] This explains why the 2017 London SHMA's central variant projection projects lower growth than the official MHCLG 2014-based household projection because the MHCLG projections are based on a past 5-year trend whereas the central variant projection is based on a past 10-year trend.

4.10 London's population was in rapid decline during the 1960s and 1970s but since the 1980s has returned to a state of continual and rapid population growth. See Figure 4.1.

Figure 4.1: London's historic population growth



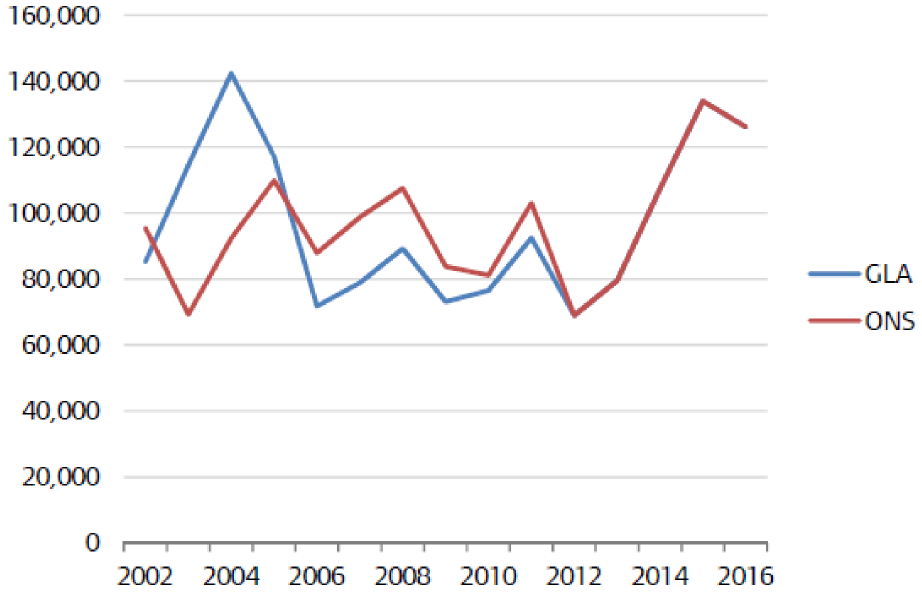
Source: Fig 7, The 2017 London SHMA

[15] Paragraphs 3.73 and 3.75, page 43, The 2017 London Strategic Housing Market Assessment, November 2017, GLA
[16] Paragraph 3.52, page 36, The 2017 London Strategic Housing Market Assessment, November 2017, GLA

4.11 Between 2006 and 2016, London's population increased by 1.2 million people – the fastest growth on record.[17] This was equivalent to a +15.6% increase. Equivalent population growth over the most recent 5-year period (2011-2016) is +7.1% and growth over the 5-year period feeding into the official 2014-based Government projection (2009-2014) is +7.5%.

4.12 Given that population growth over the 5-year period 2009-2014 is lower than population growth over the most recent 10-year period, it is counter intuitive that the GLA central variant projection projects lower growth than the Government projections. However, the 2017 London SHMA acknowledges that it has made an adjustment to the international migration component of the migration trend[18]. The effect of the adjustment is to reduce the historic level of net international to London from 2005 onwards as illustrated in Fig 9 of the 2017 London SHMA and replicated in Figure 4.2 below for ease of reference.

Figure 4.2: GLA net international assumption compared to the official Government projection (ONS)



Source: Fig 9, The 2017 London SHMA

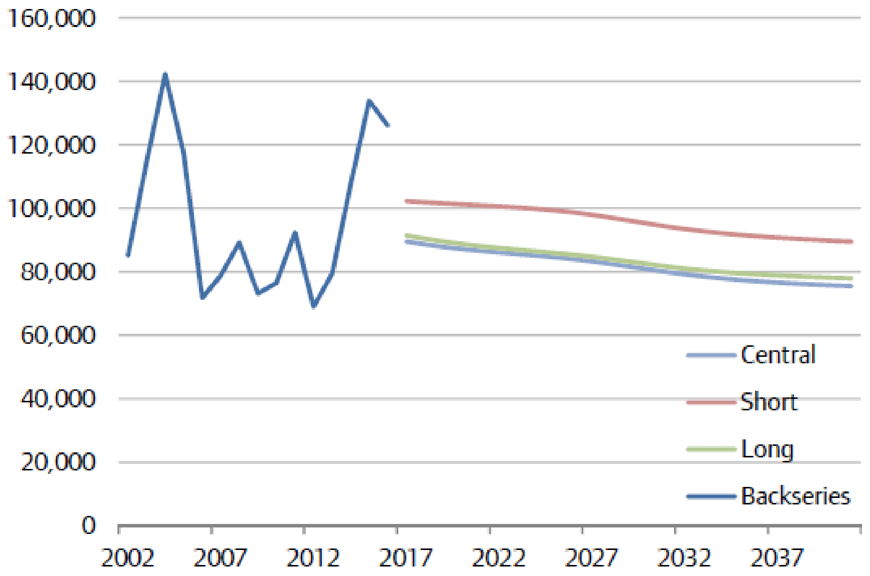
4.13 We acknowledge the significance of international migration to London, and therefore any error in its estimation is likely to have a significant impact on future population projections for London. We also acknowledge that the Government has reduced its assumption of net international migration in its most recent 2016-based National Population Projections. Whilst the 2014-based National Population Projections assume net international migration of 185,000 people from mid-2022 onwards, the most recent 2016-based National Population Projections assume net international migration of 165,000 people.

[17] Paragraph 3.8, page 20, The 2017 London Strategic Housing Market Assessment, November 2017, GLA
[18] Paragraphs 3.9 to 3.11, page 21, The 2017 London Strategic Housing Market Assessment, November 2017, GLA

4.14 Of the 185,000 net international migrants assumed in the 2014-based series, 75,000 of these are assumed to be net migrants to London. This is equivalent to 40%. Assuming London is the recipient of the same proportion of migrants in the 2016-based, we can expect the 2016-based Sub National Population Projections (SNPP) when published in May/ June 2018 to suggest net international migration to London of 66,000 (40% of 165,000).

4.15 However, despite the adjustment to international migration, the GLA central variant projection favoured by the 2017 London SHMA assumes net international migration (95,000 net international migration falling to 75,000 per annum) comparable to the level of migration assumed in the official 2014-based Government projections (75,000 net migration from mid-2022). See Figure 4.3. It is not clear from the evidence presented in the 2017 London SHMA how the same level of net international migration can be assumed despite the SHMA making an adjustment to international migration which has the effect of decreasing net international migration?

Figure 4.3: Net international migration assumed by the GLA 2016-based projections



Source: Fig 33, The 2017 London SHMA

4.16 Nevertheless, the assumption of net international migration within the official Government projections remain significantly lower than the level of net international migration reported by the Office for National Statistics (ONS) in its quarterly migration estimates. In the year ending June 2017, the ONS estimated net long-term international migration to be +230,000 people. This is approximately 65,000 more people than assumed in the Government's 2016-based National Population Projections.

4.17 Therefore, whilst we acknowledge caution when projecting future international migration due to the uncertainty of Brexit, for example, there are upside risks to the international migration adjustment applied by the 2017 London SHMA. If the SHMA's adjustment is overly cautious, the level of housing need could be significantly underestimated.

4.18 The 2017 London SHMA considers a 10-year migration trend is more appropriate for strategic planning purposes because *'it approximately spans a typical economic cycle and has the benefit of producing more stable results from year to year than projections based on more recent trends only'* [19]

4.19 Whilst we acknowledge the benefit of using a 10-year migration trend over projections based on short-term trends, there is the risk of an inconsistent assessment of housing need across the Country. This will be a particular issue once the Government's proposed Standard Method for assessing need comes into effect, which is fundamentally based on the official MHCLG household projections which are underpinned by short-term trends.

4.20 The Standard Method, as currently proposed, seeks to provide 265,000 new homes per annum across England, of which 72,400 are within London (27%). If London is only planning to provide 65,000 new homes per annum (as per policy H1 of the draft London Plan) then either the Country's overall housing needs will not be met, or the unmet need will be dispersed, placing additional pressure on authorities within the Wider South East. We will return to this point later in the concluding comments of this Section.

Economic analysis

4.21 As required by the PPG HEDNA, the 2017 London SHMA gives consideration to both past employment trends and projected employment growth.

4.22 The employment projections referred to in the 2017 London SHMA have been prepared by the GLA Economics Team and published within the supporting 'London labour market projections 2017' report.

4.23 Again, three variant projections for employment growth are presented: a low, central and high growth scenario. The low growth scenario assumes growth of 25,500 jobs per annum; the central growth scenario 49,000 jobs per annum; and the high growth scenario 85,000 jobs per annum.[20]

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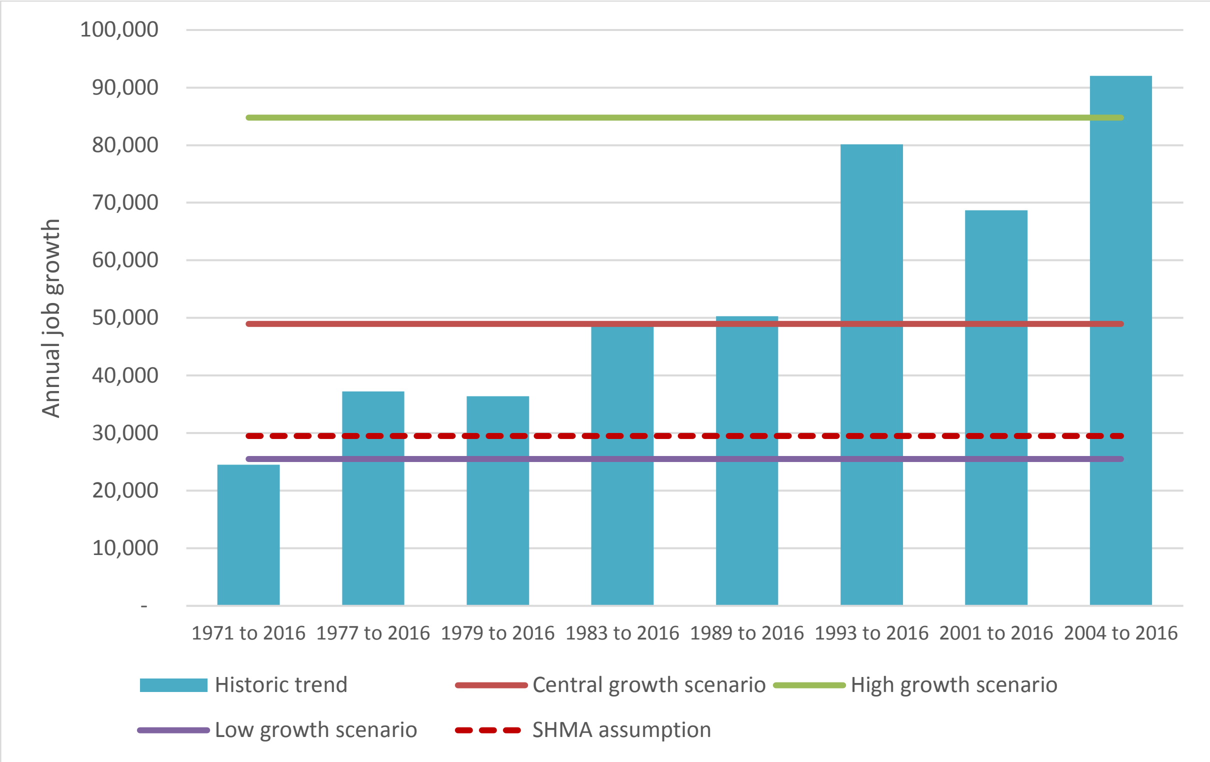
[19] Paragraph 3.52, page 36, The 2017 London Strategic Housing Market Assessment, November 2017, GLA
[20] Paragraph 4.8, page 58, The 2017 London Strategic Housing Market Assessment, November 2017, GLA

4.24 Figure 4.4 (below) compares the three variant projections in the context of past employment trends for London presented in the labour market projections report.

Figure 4.4: London's historic employment trends compared to variant projections



Source: Barton Willmore, compiled using data from Table 3 of GLA's 'London labour market projections 2017' report

4.25 The 2017 London SHMA states that the GLA central variant projection would support growth of 29,500 jobs per annum which the SHMA states '*is towards the lower end of the range'* of the three employment variant projections[21].

4.26 Figure 4.4 also demonstrates that growth of 29,500 jobs per annum is also significantly below past employment trends for London.

4.27 The 2017 London SHMA acknowledges *'that a faster rate of population growth (and by extension housing supply) might be required to keep up with jobs growth if the central labour market projection turns out to be more accurate'*.[22] This is an important point to note and in the context of past employment trends, the evidence suggests that employment growth in line with the central variant projection is achievable in London.

[21] Paragraph 4.10, page 58, The 2017 London Strategic Housing Market Assessment, November 2017, GLA
[22] Paragraph 4.10, page 58, The 2017 London Strategic Housing Market Assessment, November 2017, GLA

4.28 Planning for economic growth of just 29,500 jobs per annum is out of kilter with past trends and does not align with the economic ambitions of the draft London Plan which acknowledge that 'London is the engine of the UK economy'[23].

4.29 It would not be unrealistic for London to see future job growth in line with the GLA central variant projection. Indeed, Oxford Economics February 2018 forecast suggests London will see growth of 55,000 jobs per annum over the period 2016-2037.

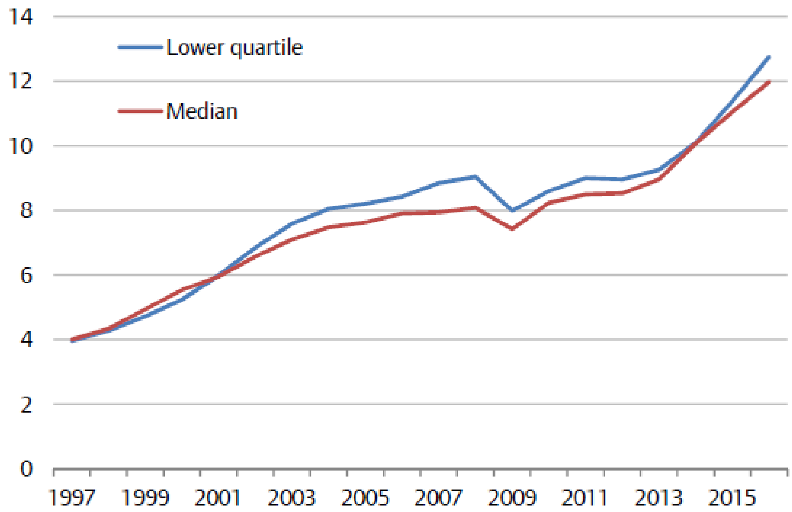
Market signals analysis

4.30 The 2017 London SHMA considers the market signals indicators identified by the PPG HEDNA within the 'Housing trends' chapter.

4.31 The SHMA identifies worsening affordability in London over recent years stating the cause as being that *'housebuilding has not kept up with rapid population and employment growth in London over the last decade, and housing costs have consequently risen faster than incomes'*[24].

4.32 Figure 59 of the SHMA (and replicated in Figure 4.5 below for ease of reference) illustrates the worsening affordability ratio (house prices relative to workplace earnings) in London over the period 1997 to 2016.

Figure 4.5: London's median and lower quartile affordability ratio



Source: Fig 59, The 2017 London SHMA

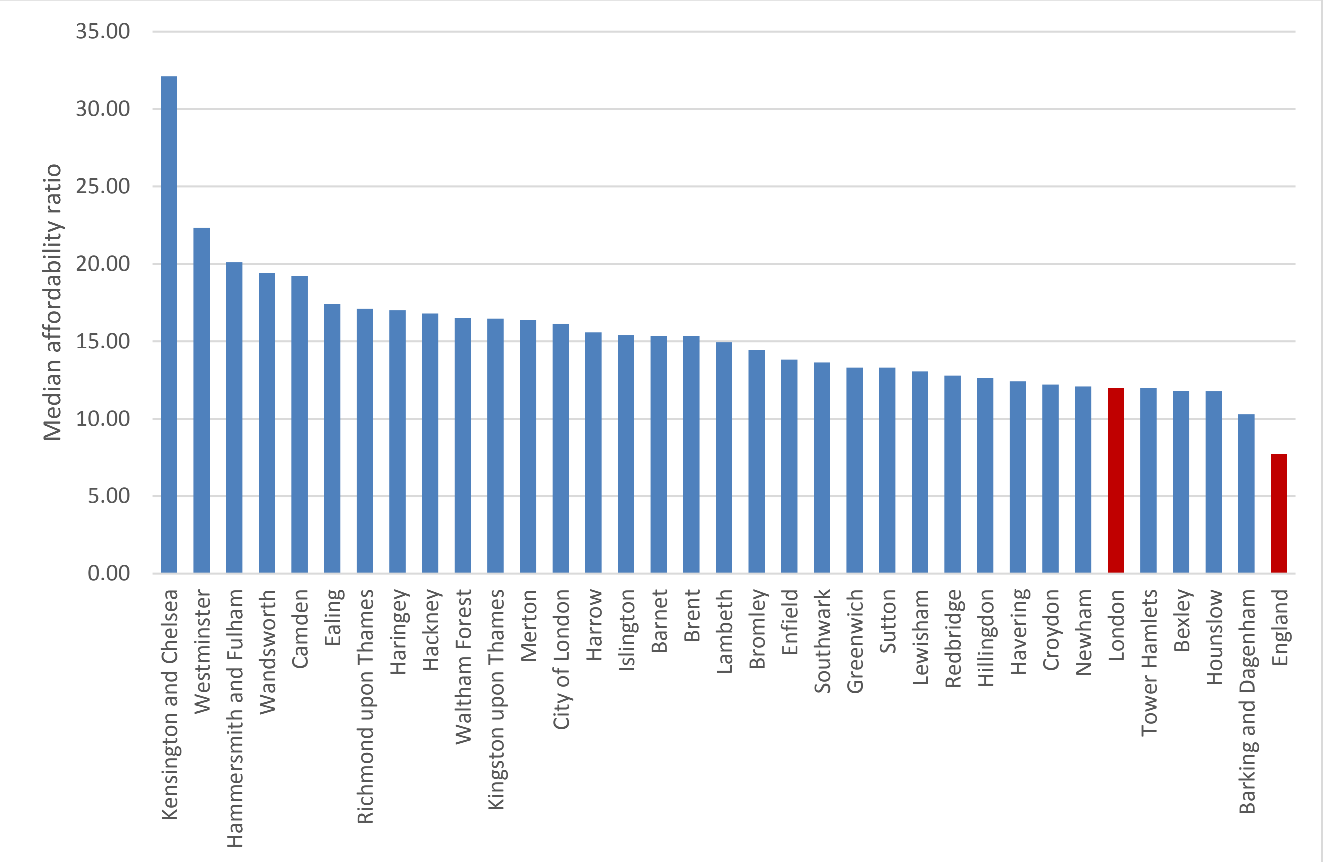
[23] Paragraph 1.4.8, page 20, Draft London Plan, December 2017, GLA

[24] Paragraph 0.11, page 5, The 2017 London Strategic Housing Market Assessment, November 2017, GLA

4.33 In 1997, a median priced house in London cost 4 times the median gross annual earnings (workplace), only marginally higher than the national average of 3.5 and the typical mortgage multiplier. However, by 2016 a median priced house in London would cost 12 times the median gross annual workplace earnings. This is significantly higher than the national average ratio of 7.7 and significantly in excess of the average mortgage multiplier, demonstrating the significant affordability issues in London.

4.34 As demonstrated in Figure 4.6, all London Boroughs have an affordability ratio that is higher than the national average. Barking and Dagenham has the lowest affordability of all London Boroughs but even with a ratio of 10.29 this demonstrates that housing is significantly unaffordable.

Figure 4.6: Median affordability ratio for individual London Boroughs (2016)



Source: Barton Willmore based on ONS ratio of house prices to workplace-based earnings

4.35 To put the affordability ratios into context, we compare in Table 4.1 (overleaf) the past net completions for each London Borough, alongside the annual housing targets in both the FALP and the draft London Plan, and housing need according to the standard methodology.

4.36 Table 4.1 confirms that net housing completions have fallen significantly below the existing FALP targets in 24 of the 33 London Boroughs (including the City of London).

Table 4.1: Net completions (2011/12 to 2015/16) compared to Plan targets and housing need according to standard method

	Existing FALP	Proposed London Plan	CLG Standard Method	Average net completion rate over up to 5 year period (from London Plan AMRs)	Existing FALP vs Average Delivery	Proposed London Plan vs Average Delivery	Proposed CLG standard method vs Average Delivery
	(dwellings per annum)				% Change		
Redbridge	1,123	1,979	2,981	459	-59%	-77%	-85%
Enfield	795	1,876	3,330	474	-40%	-75%	-86%
Barking and Dagenham	1,236	2,264	2,089	579	-53%	-74%	-72%
Hounslow	822	2,182	1,151	569	-31%	-74%	-51%
Kingston upon Thames	643	1,364	1,527	439	-32%	-68%	-71%
Harrow	593	1,392	1,959	464	-22%	-67%	-76%
Havering	1,170	1,875	1,821	638	-45%	-66%	-65%
Waltham Forest	862	1,794	2,416	629	-27%	-65%	-74%
Bexley	446	1,245	1,723	455	2%	-63%	-74%
Merton	411	1,328	1,585	498	21%	-62%	-69%
Haringey	1,502	1,958	1,148	772	-49%	-61%	-33%
Ealing	1,297	2,807	2,432	1,161	-10%	-59%	-52%
Barnet	2,349	3,134	4,126	1,306	-44%	-58%	-68%
Bromley	641	1,424	2,564	616	-4%	-57%	-76%
Tower Hamlets	3,931	3,511	4,873	1,528	-61%	-56%	-69%
Greenwich	2,685	3,204	3,317	1,396	-48%	-56%	-58%
Newham	1,994	3,850	3,840	1,678	-16%	-56%	-56%
Brent	1,525	2,915	2,855	1,289	-16%	-56%	-55%
Sutton	363	939	1,774	417	15%	-56%	-76%
Croydon	1,435	2,949	1,414	1,332	-7%	-55%	-6%
Richmond upon Thames	315	811	1,709	373	18%	-54%	-78%
Kensington and Chelsea	733	488	824	232	-68%	-53%	-72%
Hammersmith and Fulham	1,031	1,648	980	822	-20%	-50%	-16%
LLDC	1,471	2,161	-	1,306	-11%	-40%	-
Lewisham	1,385	2,117	3,181	1,374	-1%	-35%	-57%
Hillingdon	559	1,553	595	1,029	84%	-34%	73%
Wandsworth	1,812	2,310	2,414	1,535	-15%	-34%	-36%
Southwark	2,736	2,554	3,089	1,806	-34%	-29%	-42%
Camden	889	1,086	1,568	1,017	14%	-6%	-35%
Westminster	1,068	1,010	1,495	1,001	-6%	-1%	-33%
Lambeth	1,559	1,589	1,673	1,675	7%	5%	0%
Hackney	1,599	1,330	3,251	1,569	-2%	18%	-52%
City of London	141	146	120	207	47%	42%	73%
Islington	1,264	775	2,583	1,460	16%	88%	-43%
OPDC	-	1,367	-	0	-	-	-
Total	**42,385**	**64,935**	**72,407**	**32,105**	-24%	-51%	-56%

Source: Barton Willmore

4.37 Annual net housing completions across London as a whole between 2011/12 and 2015/16 have averaged 32,100 per annum, which is 24% lower than the FALP target of 42,400 dwellings per annum.

The housing requirement

4.38 Whilst the 2017 London SHMA favours the GLA central variant demographic projection which projects growth of 48,400 households per annum (2016-2041), when setting the housing requirement (Chapter 7 of the SHMA) the 2017 SHMA reports on projected growth of 55,540 households per annum (2016-2041)[25].

4.39 Growth of 55,540 households per annum is derived from the estimated number of households in 2016 (3,398,347)[26] and projected growth in 2041 based on household mix (4,786,843) – referred to in the SHMA as the 'net stock model'[27].

4.40 The resulting growth of 55,520 households per annum is marginally higher than the official MHCLG projection of 54,000 households per annum (2016-2039) despite the underlying population growth of the GLA projection being lower (Fig 27 of the SHMA). This is explained by different age structures of the projected population.

4.41 In response to a worsening housing market (market signals) the 2017 London SHMA adds a further 8,761 households to the requirement bringing the total to 64,301 households per annum (2016-2041). It is commendable to add backlog need to the total housing requirement because under the current guidance, local authorities do not need to address backlog within the calculation of housing need. However, inclusion of backlog within the 2017 London SHMA (8,761 households) is seen as a proxy for a market signals adjustment. As a market signals adjustment, an uplift of 8,761 households per annum is not considered sufficient in the context of the affordability uplift applied by the Standard Method which is equivalent to 18,400 households per annum.

4.42 After applying an allowance for vacancy and second homes to the household requirement, the 2017 London SHMA reaches a **total housing requirement of 65,878 dwellings per annum (2016-2041)**.

[25] Table 7, page 88, The 2017 London Strategic Housing Market Assessment, November 2017, GLA
[26] Table 6, page 88, The 2017 London Strategic Housing Market Assessment, November 2017, GLA
[27] Paragraph 6.10, page 77, The 2017 London Strategic Housing Market Assessment, November 2017, GLA

iii) 2017 London Strategic Housing Land Availability Assessment (SHLAA)

4.43 The 2017 London SHLAA supports the provision of 65,000 dwellings per annum, of 649,350 dwellings over the period 2019–2028. This figure is drawn from a largely theoretical assessment of large sites (>0.25 ha), and smaller sites (<0.25 ha).

4.44 Large sites comprise four broad categories, being, approvals, allocations, potential sites and low probability sites. The SHLAA only publishes details of approval and allocations. Approvals amount to some 35% of the supply of homes in large sites, whilst Allocations amount to 39% of homes identified on large sites. The extent to which the Allocations remain deliverable remains uncertain however.

4.45 The Potential Sites category is said to provide some 25% of units within large sites over the next ten years. In assessing this category of sites, the SHLAA undertakes a modelled capacity-based assessment of other large sites. This 'constraints model' as it is termed establishes the probability-based housing capacity estimates for each site. For example, if a site is capable of delivery 100 units, yet only has a 50% probability of being brought forward for the development, the model will assume that it is capable of delivering 50 units.

4.46 Therefore, whilst these sites may have the potential for housing development, the extent to which residential development can be implemented on each sites within the next 10 years is an unknown, and not something that can be tested within this consultation exercise given that no detail of these sites has been published.

4.47 The SHLAA notes that 'on aggregate, constrained housing capacity estimates provide a robust method of estimating overall housing output from large sites on a pan-London and borough level basis that is more sophisticated than traditional 'windfall assumptions. However, this should be considered in the context that 25% of supply identified on large sites results from this modelled approach.

4.48 Finally, the SHLAA estimates that a further 3,150 homes will be delivered on sites with a 'low probability', that is sites which have an 8% probability of being brought forward for development. Whilst these sites contribute a fairly minimal amount, the fact that they are low probability dictates that they should be discounted from the SHLAA assessment.

4.49 In respect of small sites (<0.25ha), and as detailed in Table 9.1 of the SHLAA, it is assumed that a modelled assessment of sites will provide for 186,300 units over the next 10 years, whilst windfall sites will provide for an additional 59,430 units. The outputted level of homes from both modelled and windfall sites categories is derived from a theoretical calculation based upon modelling assumptions and past trends. As such no sites were identified through this exercise, and there is a clear risk of double counting, particularly as the annual average trend over the past 12 years (Table 6.3 of SHLAA) indicates delivery of only 129,940 units.

4.50 In summary therefore, the theoretical nature of the SHLAA raises significant questions over the deliverability of the sites assessed and the volume of units identified through the SHLAA modelled process

iv) Section conclusion

4.51 In summary, whilst the 2017 London SHMA identifies a need for 66,000 dwellings per annum (rounded) across London, the draft London Plan is only planning to provide 65,000 dwellings per annum as outlined in Section 3 of this report.

4.52 Furthermore, this Section has identified that 66,000 dwellings per annum is conservative in the context of past employment trends and housing need according to the Government's proposed standard methodology. In addition, the 66,000 dwellings per annum level of housing need could also be significantly underestimated because there is doubt regarding the appropriateness of the data that the SHMA uses as regards net international migration and there is a risk that the SHMA's adjustment is overly cautious.

4.53 In respect of employment trends, this Section has identified that housing need according to the 2017 London SHMA will only be able to support growth of 29,500 jobs per annum which is towards the lower end of the economic scenarios considered by the GLA Economics team. On this basis, even the SHMA acknowledges a higher level of housing need would be required to support the GLA's central employment growth scenario. Our analysis has identified that it would not be unreasonable for London to achieve the central employment growth scenario in the context of past employment trends and forecasts from Oxford Economics.

4.54 In respect of the Government's proposed standard method, housing need for London would be 72,400 dwellings per annum (capped), increasing to 95,300 dwellings per annum if the cap did not apply (see Section 2 of this report for further detail).

Nonetheless, despite the level of need identified as 66,000 dwellings per annum, there remains uncertainty as to whether London is even able to achieve growth of the lower 65,000 dwellings per annum draft Plan target in the context of past completions. Over the last 5-years, London has only averaged growth of 32,100 dwellings per annum as demonstrated in Table 4.1 within this Section. The identified need for London is therefore 105% greater than delivery over the last 5-years. If London is unable to meet all its own needs, this will have implications for the Wider South East, as the next Section of this report explores.

5.0 LONDON'S UNMET NEED AND THE CONSEQUENCES FOR THE WIDER SOUTH EAST

i) Introduction

5.1 As detailed in the previous Section there has been a long standing under delivery of the required level of homes across London, which in all likelihood will continue. Whilst Policy SD2 of the Draft Plan recognises the need for collaboration with Wider South East authorities, it offers no means by which those local planning authorities should properly plan for meeting London's unmet housing need.

5.2 The purpose of this Section is to examine the consequence to the local housing markets of those local planning authorities within the Wider South East, from the increased levels of out-migration flowing from London because of increasing levels of unmet housing need.

ii) East of England Local Government Association – Research Paper by London School of Economics (January 2017)

5.3 In examining this issue Barton Willmore has first drawn upon evidence from the East of England Local Government Association. The LGA published a research report by the London School of Economics (LSE) on migration influences and population dynamics in the Wider South East (WSE) (January 2017), which is intended as a tool with which to explore issues about how London and other regions of the WSE interact in terms of population movements via their overlapping housing and labour markets.

5.4 The Report recognises at the outset that the migration system across the WSE is extremely complex, and which is described as reflecting the huge diversity of different kinds of population flow, by people with different characteristics and motives, affected in different ways by the economic dynamism of very large parts of the region.

5.5 The Report explores the causes and patterns of population movement across the Wider South East, which broadly fall into three categories:

1. A long term, intern-regional labour market drift of population from slower growing parts of the UK to a core supra-region, with integrated labour and housing markets that now cover the whole WSE plus a further fringe set of sub regions beyond this border (including parts of the East Midland and South West regions);

2. Net inflows of migrants into the WSE from a wide range of overseas origins, also labour market related, but with a much more marked concentration in particular centres, notably within London; and

3. An extended process of population de-concentration, within the WSE, that is housing market related, driven by generally rising expectations in terms of living space and amenity as/ when real incomes increase plus displacement effects from international migration into urban centres – with impacts on population growth affected by where new housing is available (or not).

5.6 The Report goes on to undertake further analysis based upon a geographic framework comprising five ring-based zones (zonal rings), reflecting proximity to London, and comprising 1. London; 2. Outer Metropolitan; 3. Outer WSE; 4. Tight Fringe (bordering WSE); and 5. Rest of UK.

5.7 Finally, the Report assesses the population flows across the travel to work areas within the WSE in order to identify commonalities, upon which to classify areas into one of five clusters. The variables used for the classification are described as followed:

- Net domestic migration rates for age groups 16-29, 30-44 and 45 and over, together with an all age total;
- Net international migration;
- Total population change;
- The mean size of the swing in net migration between the two peaks and troughs over the period 2001 – 2016;
- A trend change measure, representing the difference between net migration in the second and first peak years; and
- A through-migration indicator, capturing the degree to which large inflows from a zonal ring closer to the core of the region were off-set by large outflows to rings further out.

5.8 The five clusters are detailed below and shown in Figure 5.1.

1. London

Described as a single tier travel to work area covering the majority of London plus a few outer metropolitan (Zonal ring) districts. The cluster is characterised by strong levels of net international migration, positive domestic flows for 16-29s.

2. Banbury, Brighton, Luton, Oxford, Reading, and Slough/ Heathrow

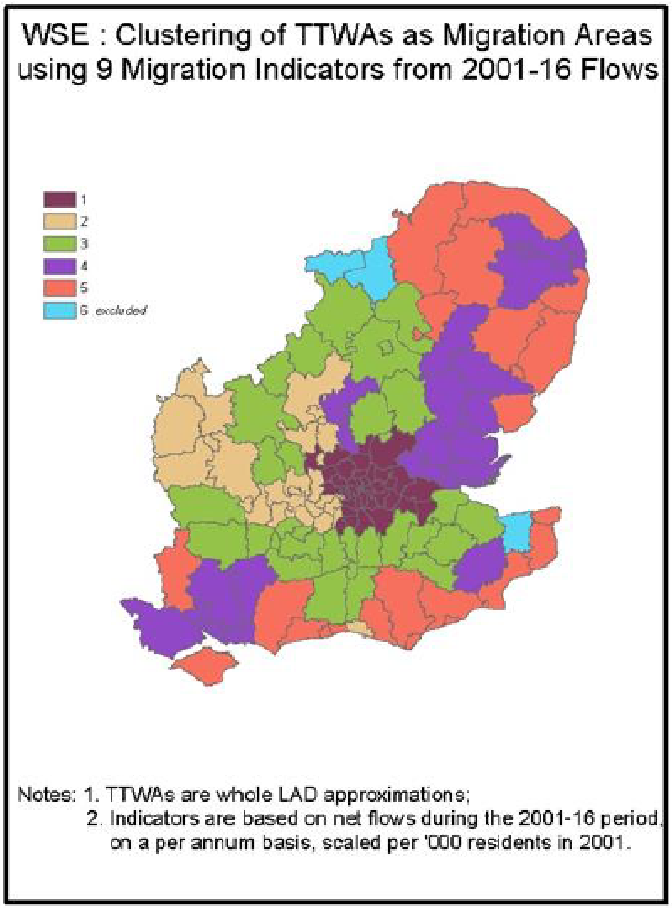
Described as a cluster spread across all three of the zonal rings within the WSE, with a bias towards West and NW. The cluster is characterised by the second strongest international net inflow, and a 'through migration' pattern for domestic migration (large net inflows from zones closer to the centre being matched by large net outflows to ones further out).

3. **Basingstoke, Bedford, Cambridge, Crawley, Guildford/ Aldershot, High Wycombe/ Aylesbury, Huntingdon, Medway, Milton Keynes, Newbury, and Tunbridge Wells**
   Described as equally divided between OMA and OWSE, apart from North Eastern areas. The cluster is characterised by a positive balance of those aged 30-44 years of age, and 'through migration' (as above).

4. **Ashford, Bury St Edmunds, Chelmsford, Colchester, Great Yarmouth, Norwich, Portsmouth, Southampton, Southend, and Stevenage/ Welwyn Garden City**
   Described as mostly in the Outer Wider South East, and with a bias towards North Eastern areas. The cluster is characterised by a positive overall balance of domestic (internal) migration.

5. **Andover, Chichester/ Bognor Regis, Clacton, Cromer/ Sherington, Eastbourne, Folkestone/ Dover, Hastings, Ipswich, Isle of Wight, Kings Lynn, Lowestoft, Marge/ Ramsgate, Thetford/ Mildenhall and Worthing.**
   Described as areas within the Outer Wider South East, and almost all on or near the coast, the cluster is characterised by positive domestic migration balances for 30-44, and >45 years of age, but experiencing the slowest rate of population growth.

Figure 5.1: Clustering of Travel to Work Areas



Source: Extract of Map 8.1 from East of England Government Association, Technical Report; Review of Research on Migration Influences and Implications for Population Dynamics in the Wider South East (September 2017)

5.9 In conclusion the Report confirms that there is a pattern of chain displacement effects rippling out from London. The Report explains the displacement effect as being:

> **"the impact of a new/larger in-migrant flow to an area, with some inelasticity in its housing supply, will have price effects that make it worthwhile/attractive for some existing residents to follow their preferences and move elsewhere. A chaining of such displacement effects, particularly from more to less expensive areas, can produce much longer distance shifts in population – e.g. from the core of the region to its fringe – than would be expected from the length of individual moves."**[28]

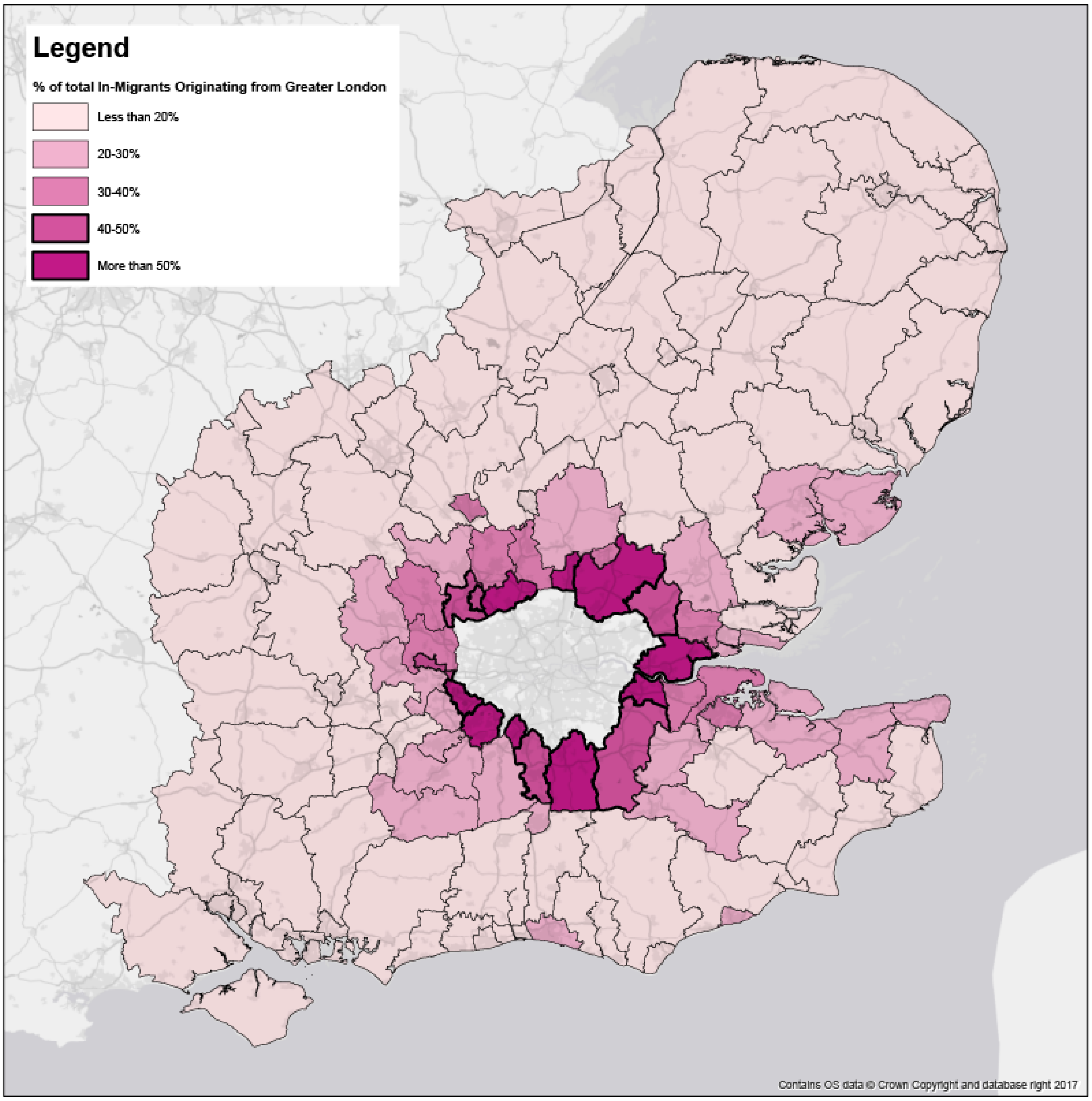
5.10 We examine this further below in our own assessment of migratory flows.

[28] Page 7, East of England Government Association, Technical Report ;Review of Research on Migration Influences and Implications for Population Dynamics in the Wider South East (September 2017)

iii) Barton Willmore's migration analysis

5.11 Figure 5.2 (below) shows local authorities in the South East and East of England regions, shaded according the percentage of their total in-migration that originates from Greater London – based upon ONS, 2011-2016 internal migration flow data. This highlights those areas which are under the most significant pressure from those choosing to migrate out of London. Please note that the percentages reported exclude International migration and those moving within the local authority boundary.

Figure 5.2: Percent of Total In-Migration Originating from Greater London

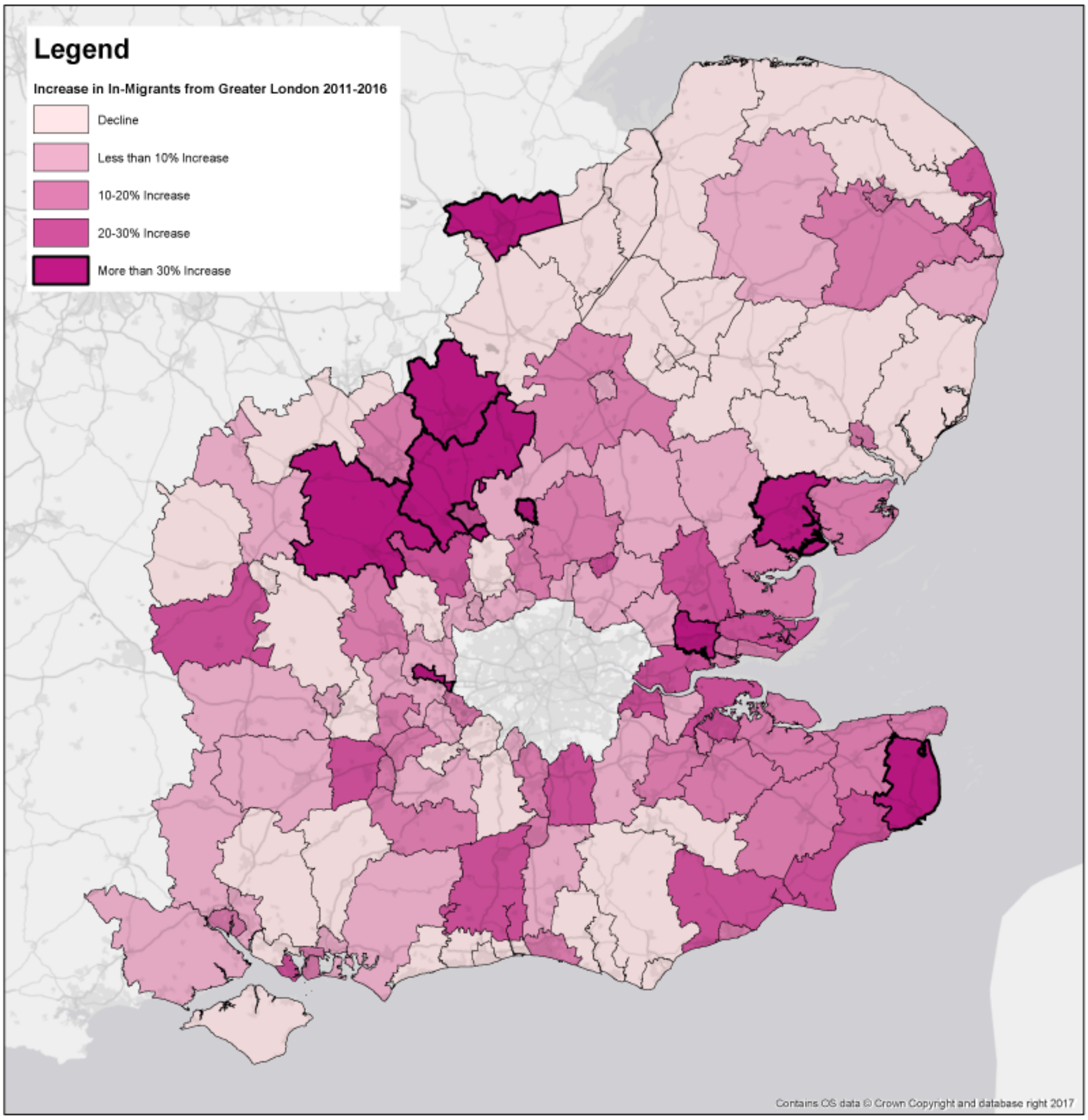


Source: Barton Willmore/ ONS

5.12 Perhaps unsurprisingly, Greater London's most significant effect is on its immediate neighbours. However, the effects are also beginning to be seen further afield in places such as Hastings (24%), Thanet (29%) and Tendring (27%), alongside long-standing out-migration hotspot Brighton and Hove (27%). This recent migration flow data confirms the findings of the East of England Local Government Association Report in its analysis of those clusters most closely aligned with the metropolitan core (London), it also shows an apparent shift of out-migrants from London migrating directly to outer clusters (largely characterised as being on or near the coast). This would potentially suggest that out-migrant may be leap frogging the ripple effect in order to benefit from a cheaper housing market, further afield from London.

5.13 Figure 5.3 shows those authorities which experienced the most significant growth in in-migration numbers from Greater London between 2011 and 2016 (according to ONS).

Figure 5.3: Increase in in-migrants from Greater London 2011 - 2016



Source: Barton Willmore/ ONS

5.14 Among the most significant growth locations are Basildon (54%), Colchester (48%), Stevenage (45%), Peterborough (43%) and Aylesbury Vale (41%). The only Local Authority immediately adjoining Greater London that has experienced in-migration growth from Greater London of more than 30% is Slough (32%).

5.15 It is highly likely that affordability and availability of suitable housing is driving this change; for example, the average value per square foot for a detached property in Brentwood (according to Zoopla, February 2018) is £480, whereas in Colchester the value is just £312 per square foot (both benefitting from direct rail links to London Liverpool Street). As a consequence, out-migrants are increasingly looking further afield in order to find the property and lifestyle they seek at a price they are able to afford.

5.16 Without sufficient growth in the supply of housing to accommodate London out-migrants, however, it is likely that there will be an inflationary effect on local house prices, which in turn will disproportionately affect those working locally (given that earnings are typically higher in Greater London) resulting in further out-migration – a ripple effect.

5.17 Figure 5.4 (below) shows the difference between Residence-based and Workplace-based affordability ratios for those LAs which were found to have more than 40% of their in-migrants originating in Greater London. A higher ratio indicates that an area is less affordable (i.e. buying the average home will require a greater multiple of the average salary).

Figure 5.4: Relative Comparison of Residence and Workplace Based Affordability Ratios

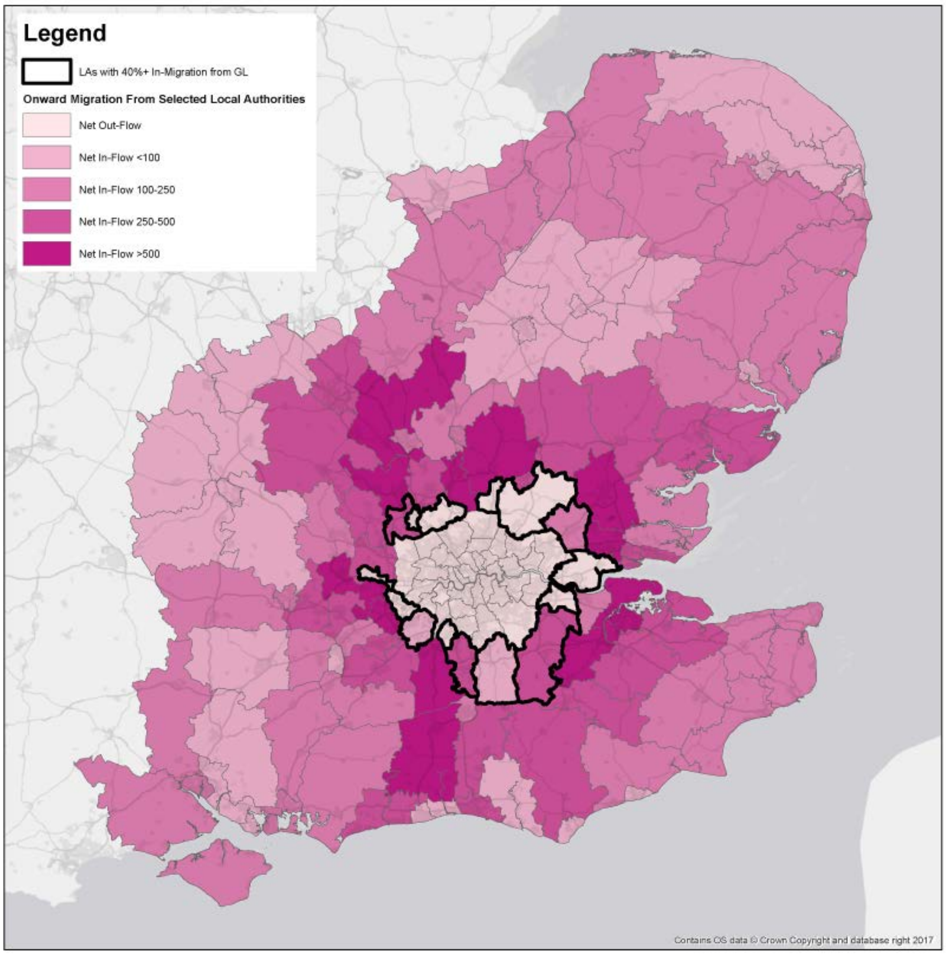
LPA	Greater London as % of Total In-Migration	% Change in In-Migration from Greater London 2011-2016	Residence-based Affordability Ratio (Med, avg. 13-16)	Workplace-based Affordability Ratio (Med, avg. 13-16)	Difference
Thurrock	64%	28%	7.3	8.5	-1.2
Dartford	61%	26%	8.0	8.2	-0.2
Epping Forest	61%	3%	10.6	12.8	-2.3
Epsom and Ewell	60%	10%	11.6	15.2	-3.6
Broxbourne	59%	10%	9.0	10.2	-1.2
Hertsmere	58%	8%	13.5	13.1	0.4
Spelthorne	56%	11%	9.4	9.3	0.2
Elmbridge	55%	-6%	12.9	14.8	-1.9
Tandridge	52%	22%	11.2	14.4	-3.2
Brentwood	48%	10%	8.3	10.8	-2.5
Slough	48%	32%	8.9	8.1	0.8
Sevenoaks	46%	8%	10.9	12.6	-1.7
Watford	45%	10%	8.9	10.1	-1.2
Reigate and Banstead	44%	14%	10.1	10.8	-0.7
Three Rivers	44%	2%	12.4	12.6	-0.2

5.18 In all but three of these authorities, the Workplace-based ratio exceeds the Residence-based ratio, driven by those migrating out of London but retaining more highly paid jobs. For example, in Epsom and Ewell, where 52% of employed residents work in Greater London and 60% of in-migration originates in the capital, the average property would cost 11.6 times the annual income of the average (employed) working resident. To buy this same property, someone earning the average salary for jobs in the area would need to spend 15.2 times their annual income – a difference of 3.6.

5.19 As suggested above, this disparity between high-earning commuters and lower-paid local workers can create a ripple effect, as the incumbent population is priced out of the area by London-commuting in-migrants and is forced to migrate to more affordable locations in order to buy a home, prompting the displacement effect referred to by the East of England Government Association Research, as a result of constrained housing supply.

5.20 Figure 5.5 below shows the pattern of onward migration from the 15 local authorities highlighted in Figure 5.3 (i.e. those with >40% of their in-migrants originating in Greater London). This is expressed in terms of net migration and is based on ONS data from 2016.

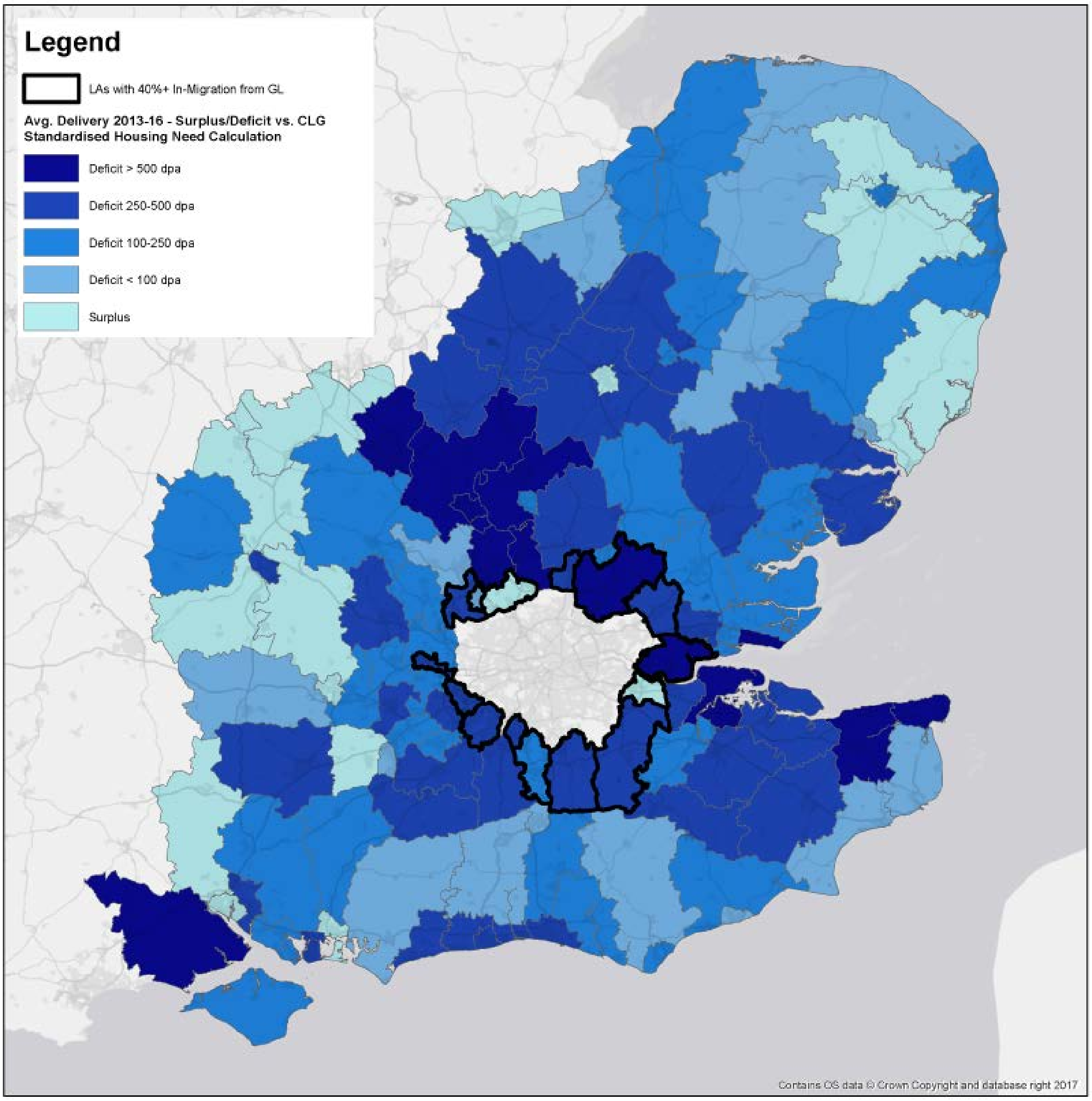
Figure 5.5: Onward Migration from Selected Local Authorities



5.21 The darker shaded areas have the strongest net out-flows from the 15 selected authorities. The top five local authorities for onward migration are: East Hertfordshire (received a net 990 people from the fifteen authorities – mostly from Broxbourne and Epping forest), Dacorum (net 840 people, mainly from Watford and Three Rivers), Basildon (net 780 people, largely from Thurrock and Brentwood), Tonbridge and Malling (net 710 people, mainly from Sevenoaks and Dartford), and Windsor and Maidenhead (net 640 people, mainly from Slough).

5.22 However, as shown by Figure 5.6 (below), very few local authorities in South East and East of England are delivering even close to the number of homes required under the emerging CLG Standardised Housing Need calculation methodology.

Figure 5.6: Average completions (2013-16) in comparison to need according to CLG Standard Method



5.23 In total, South Eastern authorities have delivered 56,200 dwellings per annum over the last 3-years, whereas under the Standard Method they would be expected to supply 83,100 dwellings per annum. On this basis, unmet need arising from Wider South East authorities themselves is equivalent to approximately 26,900 dwellings per annum. Of the 15 authorities, Dartford and Hertsmere have delivered more homes (on average, and according to CLG Live Table 122 – Net Additional Dwellings) over the last three years than would be required under the CLG assessment method. Thurrock and Epping Forest, on the other hand, would both have deficits of 689 and 708 dwellings per annum respectively.

iv) Section conclusion

5.24 In summary both research undertaken by the East of England Local Government Association, and that of Barton Willmore has shown a clear ripple effect in the migration of people from London, which leads to a displacement of local residents to more affordable areas of the Wider South East. The primary cause of this is a constraint in the level of housing supply, placing increased pressure on local housing markets.

6.0 SUMMARY AND CONCLUSIONS

6.1 The draft London Plan is making provision for 65,000 dwellings per annum (2016-2041) which is underpinned by evidence published in the 2017 London SHMA with regards to the objective assessment of housing need (OAHN).

6.2 The 2017 London SHMA identified a total need for 66,000 dwellings per annum across London, yet the draft Plan reduces the requirement to 65,000 dwellings per annum on the grounds of capacity in each London Borough as identified by the 2017 Strategic Housing Land Availability Assessment (SHLAA).

6.3 This Report has reviewed the 2017 London SHMA and whilst the overall approach to assessing housing need appears to comply with the current PPG HEDNA methodology, the SHMA in its own admission states that housing need for London above that proposed by the SHMA might be required to support the GLA's central labour market projection.

6.4 Housing need of 66,000 dwellings per annum, would only support growth of 29,500 jobs per annum. Past employment growth has been significantly in excess of 29,500 jobs per annum and the latest employment forecasts by Oxford Economics forecast growth of 55,000 jobs per annum, thereby all suggesting that it would not be unrealistic for London to achieve job growth in line with the GL's central variant projection (49,000 jobs per annum). Indeed, if London is to maintain its position as a leader in the Global Economic market, the draft London Plan should be positively planning for economic growth.

6.5 Furthermore, this Report (Section 2) has identified that housing need for London could be in excess of 72,400 dwellings per annum based on the Government's proposed standard methodology for assessing need as it is currently proposed. Uncapped, the standard methodology would suggest a need for 95,300 dwellings per annum.

6.6 Nonetheless, the analysis of past housing completions in each London Borough presented in this report (Section 4) has demonstrated that over the past 5-years (2011/12 to 2015/16) there have only been an average of 32,100 dwellings per annum completed. On this basis, even the SHMA's identified need of 66,000 dwellings per annum would provide a 105% increase over past delivery.

6.7 In reality therefore, will London actually be able to meet its own housing needs? In the context of past completions, there is strong likelihood that London will not be able to meet its own needs and therefore this report (Section 5) has considered the implications on the Wider South East of this eventuality.

6.8 Analysis undertaken by the East of England Local Government Association identified a chain displacement effect rippling from London out to the Wider South East regions, based on the housing market. Furthermore, the supplementary migration analysis produced by Barton Willmore, identified that whilst migration from London was greatest to those local authorities immediately bordering London, there has been an increase in flows of London migrants to local authorities further afield in the South East, most likely influenced by affordability and the availability of suitable housing.

6.9 In conclusion therefore, whilst we acknowledge that the draft London Plan has increased its housing target by 53% from that in the adopted London Plan (42,385 dwellings per annum) to 65,000 dwellings per annum, we have a number of concerns:

- The true level of need for London may be in excess of 72,400 dwellings per annum as indicated by the Government's proposed Standard Method;

- Once the Government's Standard Methodology is officially adopted, the country will be assessing housing need on the basis of the Government's official household projections. The 2017 London SHMA has favoured the use of 10-year migration trend over the official Government projections. Whilst we acknowledge the reasons for this, London's use of an alternative demographic projection will result in an inconsistent assessment of housing need across the country. Given that London's need represents a significant proportion of the country's total (27%), this may have significant implications on the rest of the country, especially the Wider South East;

- Past housing completions in London have averaged 32,105 per annum over the last 5-years, which is below the lower adopted Plan target of 42,485 dwellings per annum. Need of 66,000 dwellings per annum therefore represents a 105% uplift on past completions. Will London realistically be able to achieve this level of housing growth?

- Our review of the SHLAA has raised significant questions over the deliverability of the sites assessed and the volume of units identified through the SHLAA modelled process;

- Based on the GLA's own evidence, there is already 1,000 dwellings per annum of unmet need arising from London (need of 66,000 dpa versus draft Plan target of 65,000 dpa). If housing completions in London continue at the historic rate (32,105 per annum), unmet need from London could potentially be equivalent to c.34,000 dwellings per annum based on the SHMA's assessed level of need; based on housing need according to the Standard Methodology, unmet need from London could be potentially be equivalent to 40,300 dwellings per annum. Any unmet need from London will have a significant impact on the housing needs of local authorities within the Wider South East.

6.9 Analysis produced by Barton Willmore has demonstrated that many South Eastern authorities have also seen average completions significantly below their level of housing need according to the Government's proposed standard methodology. In total across the Wider South East there has been a deficit of 26,900 dwellings per annum over the last three years. Therefore, if South Eastern authorities are required to accommodate unmet from London, in addition to their own needs, these authorities will be under significant pressure in the future.

Appendix 2

Deliverability of Strategic Infrastructure in the Wider South East (February 2018)

DRAFT NEW LONDON PLAN

Deliverability of Strategic Infrastructure in the Wider South East

February 2018

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DRAFT NEW LONDON PLAN

DELIVERABILITY OF STRATEGIC INFRASTRUCTURE IN THE WIDER SOUTH EAST

February 2018

Project Ref:	28597/A5/I&E
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Date: 28 February 2018

CONTENTS

EXECUTIVE SUMMARY

i. This Report has been prepared by Barton Willmore LLP on behalf of a consortium of housebuilder, developer and land promoter clients with development interests across the Wider South East (WSE). It has been produced to assist with representations to the Draft London Plan (DLP) consultation ending on 2 March 2018.

ii. The focus of this Report is on the thirteen Strategic Infrastructure Priorities (SIPs) agreed by the WSE Political Steering Group, and identified within the DLP, and how these interact with the opportunity areas and growth corridors in the Plan, and the employment and residential provision in London. This report analyses each of the SIPs, identifies the key sub-projects within those, and the factors affecting their delivery. Consideration is also given to the potential inter-relationships between these projects and the ability to meet the housing needs of London and the South East.

iii. The key conclusions of the report are as follows:

- The SIPs are more complex than they appear, often include a number of strategic projects, have inter-dependent relationships, and in some cases, have close relationships with the opportunity areas and growth corridors identified in the DLP.
- National policy has a key role to play in delivery whether through the National Policy Statements (NPS) or the recommendations of the National Infrastructure Commission (NIC). Policy support in the DLP and the development plans for the WSE is also critical.
- Policy SD3 of the DLP places significant emphasis on the delivery of the SIPs by working with partners, Government and other agencies, and the importance of these priorities to address pressure for growth in both London and the WSE, and as longer term contingency for barriers to housing delivery in London.
- Our analysis demonstrates that some of the SIPs are closely linked to Opportunity Areas and Growth Corridors within London and the delivery of projected housing and jobs. Those areas and corridors with a delivery timeframe of at least 10 years and which are dependent (to varying degrees) on strategic infrastructure delivery to realise their full potential, could provide a total of 296,000 new homes and 342,500 new jobs. This represents a significant level of provision which could be lost if any of these schemes are delayed or fail to come forward. Therefore, delivery of the SIPs takes on a wider significance in respect of meeting housing need within London, notwithstanding our concurrent findings in our Housing Needs Report that unmet housing need has been underestimated.

- There are few projects with a high certainty of delivery, and those with medium certainty are dependent on government funding decisions either directly or through the investment strategies of statutory undertakers. Those SIPs with low certainty are often ambitions of local authorities and London Boroughs, but where there has been collaboration to make the strategic case.
- The thrust of DLP Policy SD3, that the Mayor will collaborate with willing partners beyond London, carries perhaps more significance in the delivery of the SIPs than the current wording suggests. The Mayor has the opportunity to provide the evidence base for decisions on Nationally Significant Infrastructure Projects (NSIPs), to engage directly in examinations carried out on behalf of the Secretary of State, and to inform wider development plans. The London Plan should be more specific about the Mayor's commitments to delivery in this regard.
- The relationships between DLP Opportunity Areas and Growth Corridors and related SIPs needs to be addressed as part of any collaborative work under Policy SD3.

iv. The DLP opportunity areas and growth corridors that have been assessed as having 'medium' certainty of delivery, that are significant in terms of the support they provide to growth, and which therefore require more explicit identification in the DLP are as follows:

- SIP 1 East-West, including the Oxford – Cambridge Expressway
- SIP 4 Great Eastern
- SIP 5 West Anglia Corridor, including Crossrail 2 North
- SIP 8 Lower Thames Crossing
- SIP 9 Brighton Mainline
- SIP 10 South West Mainline including Southern Access to Heathrow
- SIP 11 Great Western Mainline including Western Access to Heathrow
- SIP 12 Felixstowe to Nuneaton, in particular the F2N Freight Corridor

v. The project analysis shows that Highways England and Network Rail as investment and delivery bodies are critical organisations for the Mayor to engage with in terms of business planning, consent applications and implementation. The interface between Highways England, Network Rail, and Transport for London is also critical to delivery of projects in each SIP, and to the relationship between SIPs in the WSE and the Growth Corridors within London. Policy SD3 should be strengthened to identify the specific organisations (or 'willing partners') who have responsibility for delivery of projects in each SIP corridor and in setting out how The Mayor, the GLA and Transport for London will engage with them.

vi. Each infrastructure corridor involves different London Boroughs, Local Authorities and Local Economic Partnerships (LEPs), and the analysis indicates that there are potentially different technical solutions and investment preferences within each corridor. Therefore, an understanding of who the "willing partners" (referred to in DLP Policy SD3) are, and what the options, barriers and opportunities are within each corridor must be addressed in the Plan if a meaningful contribution is to be made to the delivery of the SIPs. In our view, the London Plan needs stronger commitments in policy to address this.

vii. Our standalone assessment report on Housing Needs demonstrated that the DLP is considered to be unsound on the basis that it both fails to adequately provide for the City's housing needs and fails to account for any need that cannot be met within its boundaries. Delivery of the SIPs is critical to the Plan as drafted, and more so in light of our Housing Needs report, given no alternative or contingency for unmet need has been proposed.

viii. On the basis that we consider the Plan to be unsound from a housing needs perspective, the lack of effective policy mechanisms to ensure delivery, or to plan for alternatives should these SIPs not be delivered, compounds the DLP's failings against the tests of soundness. We recommend that Policy SD3 is revised to focus on what is possible with willing partners in London and in the WSE, and on working with others who are critical to SIP delivery but not yet willing partners. Our suggested revised policy wording is set out below:

A. The Mayor and his agencies will work with Highways England, Network Rail and willing WSE partners to plan, secure funding and consent for, and deliver projects in the following SIPs:

- *SIP 1 East-West, including the Oxford – Cambridge Expressway*
- *SIP 4 Great Eastern*
- *SIP 5 West Anglia Corridor, including Crossrail 2 North*
- *SIP 8 Lower Thames Crossing*
- *SIP 9 Brighton Mainline*
- *SIP 10 South West Mainline including Southern Access to Heathrow*
- *SIP 11 Great Western Mainline including Western Access to Heathrow*
- *SIP 12 Felixstowe to Nuneaton, in particular the F2N Freight Corridor*

B For the remaining SIPs, the Mayor and his agencies will engage with all partners relevant to the planning, funding, consenting and delivery of projects in the SIPs and work to ensure delivery of all SIPs.

C The Mayor will prepare and provide relevant evidence in support of development plans and consenting decisions in the WSE, relevant to identified projects in each SIP. London Boroughs should incorporate similar commitments in their development plans including safeguarding routes and planning policies to facilitate delivery.

ix. We recommend that the supporting text to Policy SD3 also includes reference to the following:

- A table to identify all delivery partners relevant to each SIP.
- A published regular review of the likelihood of project delivery in each SIP;
- Commitment to the involvement of the Mayor in the consenting process for SIP projects in the WSE;
- Commitment to make representations to Highways England and Network Rail business planning and investment stages.
- Explanation of how the interface between TfL, Highways England and Network Rail will help implement revised policy SD3.

x. Overall, whilst we don’t expect all SIPs to be delivered in the Plan period, these are key priorities that will unlock growth opportunities for the WSE which require the Mayor’s on-going engagement and commitment along with identified partners. If the Plan is to be sound, policy SD3 needs to be deliverable. Therefore, we recommend that Policy SD3, the evidence base behind it, and the mechanisms to implement it, are all strengthened to enable the growth potential in London and the WSE to be realised.

1.0 INTRODUCTION

1.1 This Report has been prepared by Barton Willmore LLP on behalf of a consortium of housebuilder, developer and land promoter clients with development interests across the Wider South East (WSE). It has been produced to assist with representations to the Draft London Plan (DLP) consultation ending on 2 March 2018.

1.2 The focus of this Report is on the thirteen Strategic Infrastructure Priorities (SIPs) for the WSE identified within the DLP, and how these interact with the growth corridors in the Plan and employment and residential provision in London. The thirteen SIPs have been agreed by the WSE Political Steering Group as initial priorities for delivery. The WSE is a collaboration between the London Mayor, London Borough Councils, the East of England Local Government Association and the South East England Councils. The infrastructure priorities were agreed by the Wider South East Political Steering Group on 31 March 2017. This report analyses each of the SIPs, identifies the key sub-projects within those, and the factors affecting their delivery. Consideration is also given to the potential inter-relationships between these projects and the ability to meet the housing needs of London and the South East.

1.3 The report takes into account publicly available information on funding, consenting routes, delivery bodies and timescales in order to form a view on the level of certainty that can be afforded to the delivery of the projects within the SIPs.

1.4 The Report is structured as follows:

Section 2: Policy Context: Strategic Infrastructure: summarises the context provided by the National Policy Statement for National Networks (NPSNN) and the objectives of the DLP in respect of infrastructure and the SIPs. The DLP's intentions for the relationship between London and the Wider South East is also explored.

Section 3: Strategic Infrastructure Priorities in the Wider South East: provides a high level review of the known projects within the 13 SIPs. It provides an overview of each corridor and its component projects, along with a summary of its current status with regard to funding, timescales, delivery bodies, consenting routes and development plan policy.

Section 4: Strategic Infrastructure Priorities: Analysis of Delivery Prospects: considers the level of certainty that can be afforded to the projects within the SIPs and provides commentary on whether a high, medium, or low level of certainty can be given to their potential for delivery.

Section 5: Summary and Conclusions provides a summary of the evidence and analysis presented in this Report, concluding with key issues to raise in representations to the DLP consultation.

2.0 POLICY CONTEXT: STRATEGIC INFRASTRUCTURE

2.1 The policy context for nationally significant infrastructure is set at a national level by the National Networks National Policy Statement (NNNPS), and, for regionally strategic projects, by the relevant development plan.

2.2 Within this section, we provide a summary of the current and emerging planning policy context in relation to the development of strategic infrastructure at the national and local levels.

i) The National Networks National Policy Statement

2.3 The NNNPS was published in 2014. It sets out the need for, and Government's policies to deliver, development of NSIPs on the national road and rail networks in England. The thresholds for nationally significant road, rail and strategic rail freight infrastructure projects are defined in the Planning Act 2008 ("the Planning Act") as amended (for highway and railway projects) by The Highway and Railway (Nationally Significant Infrastructure Project) Order 2013 ("the Threshold Order").

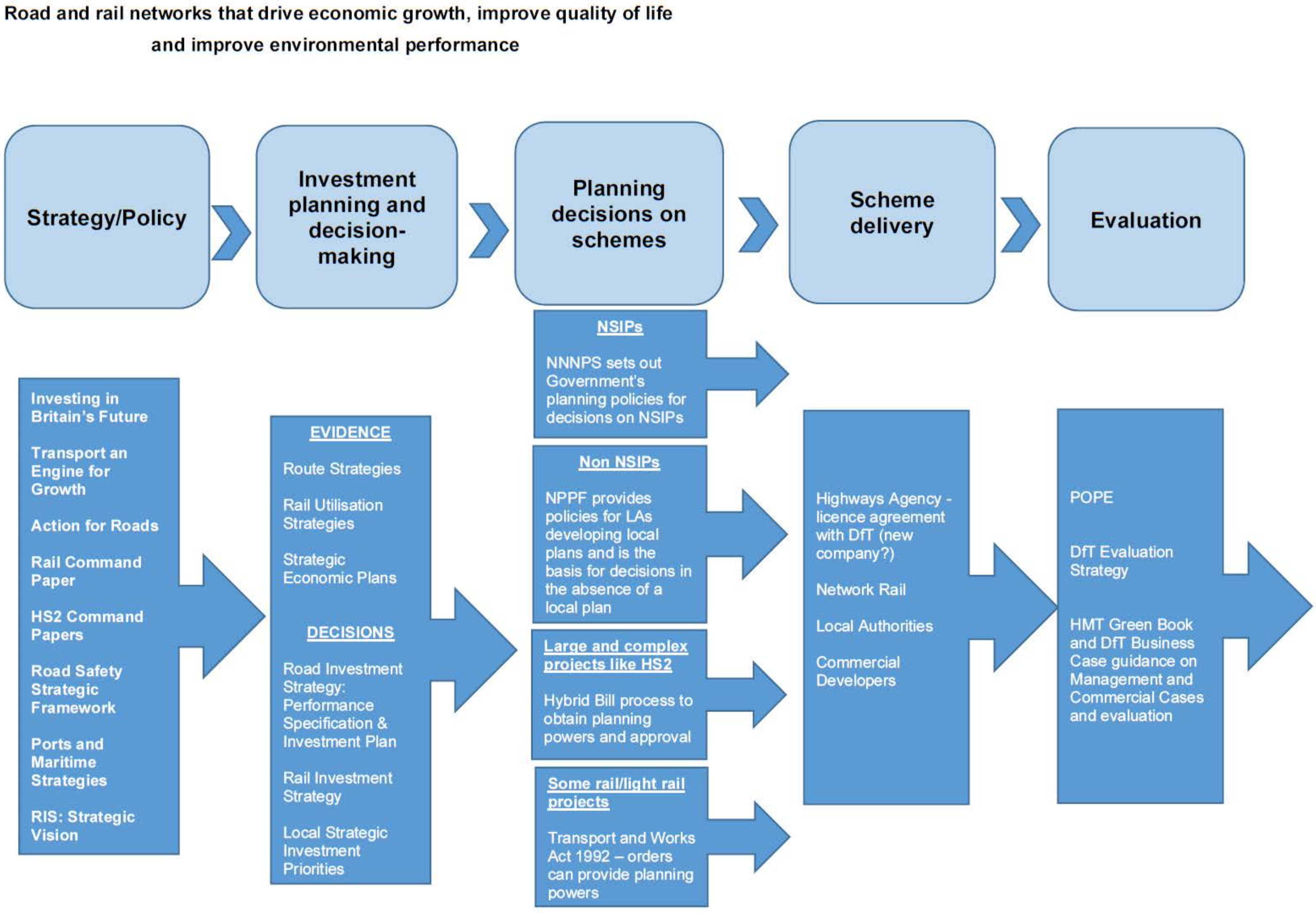
2.4 The Secretary of State will use the NNNPS as the primary basis for making decisions on development consent order (DCO) applications for nationally significant infrastructure projects (NSIPs) on the road and rail networks in England. If a proposed road or rail development does not meet the current NSIP thresholds, s35 of the Planning Act 2008 provides the power for the Secretary of State, on application, to direct that a development should be treated as a NSIP and considered against the NNNPS. It should be noted that the NNNPS does not cover High Speed Two (HS2) as HS2 is subject to a Hybrid Bill to provide the necessary legal powers to enable its construction and operation.

2.5 In terms of the relationship between the National Planning Policy Framework (NPPF) and the NNNPS, the overall strategic aims of the policies are consistent. However, the NPPF makes clear that it is not intended to contain specific policies for NSIPs where quite particular considerations can apply. The NNNPS assumes that function and provides transport policy to guide developments covered by its provisions.

2.6 In England, the NNNPS may also be a material consideration in decision making on applications that fall under the Town and Country Planning Act 1990. Equally, the NPPF can be an important and relevant consideration in decisions on NSIPs, but only to the extent relevant to that particular project being proposed.

2.7 Overall, both documents seek to achieve sustainable development and recognise that different approaches and measures will be necessary to achieve this.

2.8 The Rail Investment Strategy (HLOS) and the Road Investment Strategy (RIS) sit alongside the NNNPS. These set out the investment programmes for the road and rail networks in England, and, together with the business plans prepared by the relevant delivery bodies, provide detailed articulation of the Government's funding strategy for the road and rail networks and investment priorities over forthcoming periods. The process to develop and implement road and rail improvement projects is multi-staged. This is shown in the diagram below which is taken from the NNNPS and sets out the investment and planning process for road and rail development.



2.9 The NNNPS recognises that "*the national road and rail networks that connect our cities, regions and international gateways play a significant part in supporting economic growth, as well as existing economic activity and productivity*". It states that *"there is a critical need to improve the national networks to address road congestion and crowding on the railways to provide safe, expeditious and resilient networks that better support social and economic activity; and to provide a transport network that is capable of stimulating and supporting economic growth"*

2.10 The need for the improvement of the national networks is set out in the NNNPS, and it highlights the level of travel delays currently experienced in England and how this is set to increase:

> *"On the road network, it is estimated that around 16% of all travel time in 2010 was spent delayed in traffic. On the rail network, overall crowding on London and South East rail services across the morning and afternoon peaks on a typical weekday in autumn 2013 was 3.1%, with the worst performing operator's services experiencing 9.2% of passengers in excess of capacity."* [para 2.3]
>
> *"The pressure on our networks is expected to increase even further as the long-term drivers for demand to travel – GDP and population – are forecast to increase substantially over coming years. Under central forecasts, road traffic is forecast to increase by 30% and rail journeys by 40%, rail freight has the potential to nearly double by 2030.*" [para 2.4]

2.9 The NNNPS sets out the Government's key strategic objectives for the road and rail networks, these are to deliver:

- *Networks with the capacity and connectivity and resilience to support national and local economic activity and facilitate growth and create jobs.*
- *Networks which support and improve journey quality, reliability and safety.*
- *Networks which support the delivery of environmental goals and the move to a low carbon economy.*
- *Networks which join up our communities and link effectively to each other.*

2.10 These objectives drive what (as the NNNPS confirms) the Government views as a compelling need for the development of the national road and networks.

2.11 Tackling congestion of the road and rail networks is also a key objective of the work being undertaken by the National Infrastructure Commission (NIC). In its October 2017 report, *Congestion, Capacity, Carbon: Priorities for National Infrastructure*, the NIC highlighted the significance of connected cities and regions to the future economic, social and environmental prosperity of the UK. Given that 54% of the UK population live in cities, and they provide 71% of knowledge economy jobs and 60% of all jobs, UK cities are the backbone to the UK economy, and these are predicted to grow by 6% per decade to 2039, with London having a growth rate of 10%. Two of the key requirements for the NIC were:

- frequent commuter rail services with more seats enabling the growth of housing around cities; and

- fast and efficient road and rail connections between cities (for travel within and into cities).

2.12 At the national level, therefore, the need for the improvement of the national network is established for NSIPs.

ii) The Draft London Plan (December 2017)

2.13 The DLP acts as the overall strategic plan for London, setting out an integrated economic, environmental, transport and social framework for the development of London over the next 20-25 years. Once adopted, the new London Plan will replace all previous versions. The plan is underpinned by 6 'Good Growth' policies, and improving public transport, connectivity, and accessibility are common themes.

2.14 The DLP sees improving access within and into the capital as a crucial part of London's future success. Major transport infrastructure that facilitates this is identified as a vital catalyst which will unlock new areas for development, enable the delivery of additional homes and jobs, facilitate higher densities, create vibrant neighbourhoods, and provide people with access to the facilities and services that they need.

2.15 Eight growth corridors and opportunity areas are identified within the DLP. These are the areas that have the potential to experience significant change over the plan period. The plan acknowledges that: "*Many of London's growth corridors have links beyond London's boundaries. Collaboration with Wider South East partners outside London will help to secure mutual benefits*" (para. 2.0.5). The eight growth corridors are as follows:

- **Bakerloo Line extension** - extending the Bakerloo Line from Elephant & Castle to Lewisham and beyond to improve connectivity, increase the capacity and resilience of the transport network and reduce journey times. Estimated to support 33,500 new homes and 14,000 new jobs;
- **Crossrail 2** – a new rail link servicing London and the Wider South East, connecting beyond London's boundaries to north and south. It is expected that Crossrail 2 will be operational by 2033 and support 200,000 new homes (44,500 within London) and 200,000 new jobs (32,000 within London).
- **Thames Estuary** – this area represents the largest opportunity for growth in the city with the potential to create over 250,000 new homes and 200,000 new jobs across greater London. The opportunity is dependent on infrastructure development such as Barking Riverside with the extension of the Overground, and Thamesmead/Abbey Wood

with the Elizabeth Line. It is also dependent on four potential river crossings (Silvertown Tunnel, a new river crossing linking Rotherhithe and Canary Wharf; an extension of the DLR across the river from Gallions Reach to Thamesmead; and the Barking Riverside to Abbey Wood London Overground crossing).

- **High Speed 2 / Thameslink –** this opportunity is focussed on the transformation of Old Oak in 2026 with the expected opening of Old Oak Common Station, which will connect the Elizabeth Line and National Rail services to the High Speed 2 line. A potential new West London Orbital Line could also unlock significant new growth in the area.
- **Elizabeth Line East** – scheduled to open in 2019, the Elizabeth Line is expected to transform connectivity along the route, and lead to increased development and growth from Stratford eastwards.
- **Heathrow / Elizabeth Line West –** the plan identifies significant potential for growth in this area, but the Mayor has confirmed that he will review and clarify this when further details of the Heathrow expansion proposals and their spatial and environmental implications are available. Policy T8 Aviation confirms that the Mayor will oppose any expansion of Heathrow Airport unless it can be shown that: no additional noise or air quality harm would result; the benefits of future regulatory and technology improvements would be fairly shared with affected communities; and that sufficient surface access capacity would be provided by the Government and/or the airport authority.
- **Central London –** a key driver for London's growth, the majority of growth opportunities have been delivered or are planned and funded (expected to come forwards in 5 -10 years). The development of the Euston Opportunity Area is dependent on HS2 and the redevelopment of Euston Station.
- **Trams Triangle/London-Gatwick-Brighton mainline** – an area with important links to central London and Gatwick via the Brighton mainline and, potentially, Crossrail 2. The Tram is viewed as having transformed travel opportunities in the area and provided the potential for further growth in homes and jobs. The proposal to extend the Tram to Sutton Town Centre, and potentially beyond to the proposed Cancer Hub, is expected to improve public transport accessibility to the town centre and St. Helier Hospital, and support the delivery of at least 10,000 homes. TfL and the GLA are working with the boroughs to produce a robust business case and funding package, demonstrating how housing and employment growth can be unlocked.

2.16 The role of strategic infrastructure in unlocking housing growth is recognised in the London Infrastructure Plan 2050. The plan refers to the following to demonstrate this:

- **Crossrail** – more than two fifths of planning applications within a kilometre of a Crossrail station citing the new railway as a justification for the development proceeding – equating to around 53 million square feet of residential, commercial and retail space.
- **Crossrail 2** - if approved, this will provide the infrastructure needed to support 200,000 new homes and 200,000 new jobs.
- **A13 Tunnel –** tunnelling a 1.3km stretch of the A13 between Lodge Ave flyover and Goresbrook interchange in East London will act as a catalyst for regeneration. The scheme is expected to support the development of more than 30,000 new homes, by improving transport links and making the surrounding area more attractive for development.
- **Gospel Oak to Barking Overground Extension** - proposed extension of this Overground line to the Barking Riverside development would enable the delivery of up to 10,800 new homes, many of them affordable. The plan would also improve transport connections for the area by creating an interchange at Barking with the existing Fenchurch Street rail line and the District and Hammersmith & City Underground lines.

2.17 The importance of the strategic infrastructure identified in the DLP to the delivery of future employment and housing growth in London is shown in the table below. The DLP identifies the status of opportunity areas using a process diagram which confirms which areas have been delivered and which are in their early stages. Those identified as 'nascent' are not anticipated for delivery within the next 15 years and those identified as 'ready to grow' are not anticipated within the next 10 years. The potential of those opportunity areas in the DLP that are at least 10 years away from realisation are presented in the table below.

Infrastructure in Growth Corridors & Opportunity Areas	Estimated number of new homes in London	Estimated number of new jobs in London
Highspeed 2 / Thameslink	35000	91000
Crossrail 2	44500	32000
Elizabeth Line East	11000	1000
Thames Estuary	105000	97500
Trams Triangle/London-Gatwick-Brighton mainline	19500	14000
Heathrow/Elizabeth Line West	66500	100000
Bakerloo Line Extension	14500	7000
TOTAL	**296,000**	**342,500**

2.18 This shows that these areas, which are dependent (to varying degrees) on strategic infrastructure delivery to realise their full potential, could provide a total of 296,000 new homes and 342,500 new jobs. This represents a significant level of provision which could be lost if any of these schemes are delayed or fail to come forward.

2.19 A number of the DLP growth corridors link into SIPs outside London's boundaries. The delivery of the infrastructure within these corridors will also have an influence on London's ability to meet its housing and employment needs and deliver the potential for growth identified in the London Plan.

iii) The Draft London Plan – Role of the Wider South East (WSE)

2.20 The Draft Plan identifies the role that the WSE area has to play in delivering the housing and employment need for London.

2.21 The role of the WSE is set out formally in Policy SD2 'Collaboration in the Wider South East'. This lists five policy objectives including that "*The Mayor supports recognition of long-term trends in migration in the development of Local Plans outside London*" and that "*the Mayor will work with WSE partners to find solutions to shared strategic concerns such as: barriers to housing and infrastructure delivery; and factors that influence economic prosperity*." This highlights the DLP's acceptance that the WSE has a role to play in delivering London's needs.

2.22 The relationship between London's growth and the infrastructure proposed in the WSE is identified under Policy SD3. This policy states:

A. *The Mayor will work with relevant WSE partners, Government and other agencies to realise the potential of the wider city region and beyond through investment in strategic infrastructure to support housing and business development in growth locations to meet need and secure mutual benefits for London and relevant partners.*

B The Mayor supports recognition of these growth locations with links to London in relevant Local Plans.

2.23 Whilst the DLP clearly states that *"…as far as possible sufficient provision will be made to* ***accommodate the projected growth within London****."* It recognizes that migration will continue but aims to accommodate all of London's growth within its boundaries. However, the plan states: "*the Mayor is interested in* ***working with willing partners*** *beyond London to explore if there is potential to accommodate more growth in sustainable locations outside the capital*". It goes on to say that *"This* ***partnership work*** *could help deliver more homes, address housing affordability and improve economic opportunities outside London. The focus* *is on locations that are (or are planned to be) well-connected by public transport and where development can help meet local growth aspirations as well as wider requirements".* The inherent risk in this approach relates to the delivery timescales of the strategic infrastructure planned beyond the City's boundaries. Any uncertainty on project delivery calls into question any reliance of the London Plan to accommodate growth outside its boundaries.

2.24 The thirteen SIPs that have been endorsed by the WSE partners for initial delivery are identified within the DLP and the updated draft Mayor's Transport Strategy 2018 (see Figures 1 and 2 below).

Figure 1 Draft London Plan Strategic Infrastructure Priorities Map

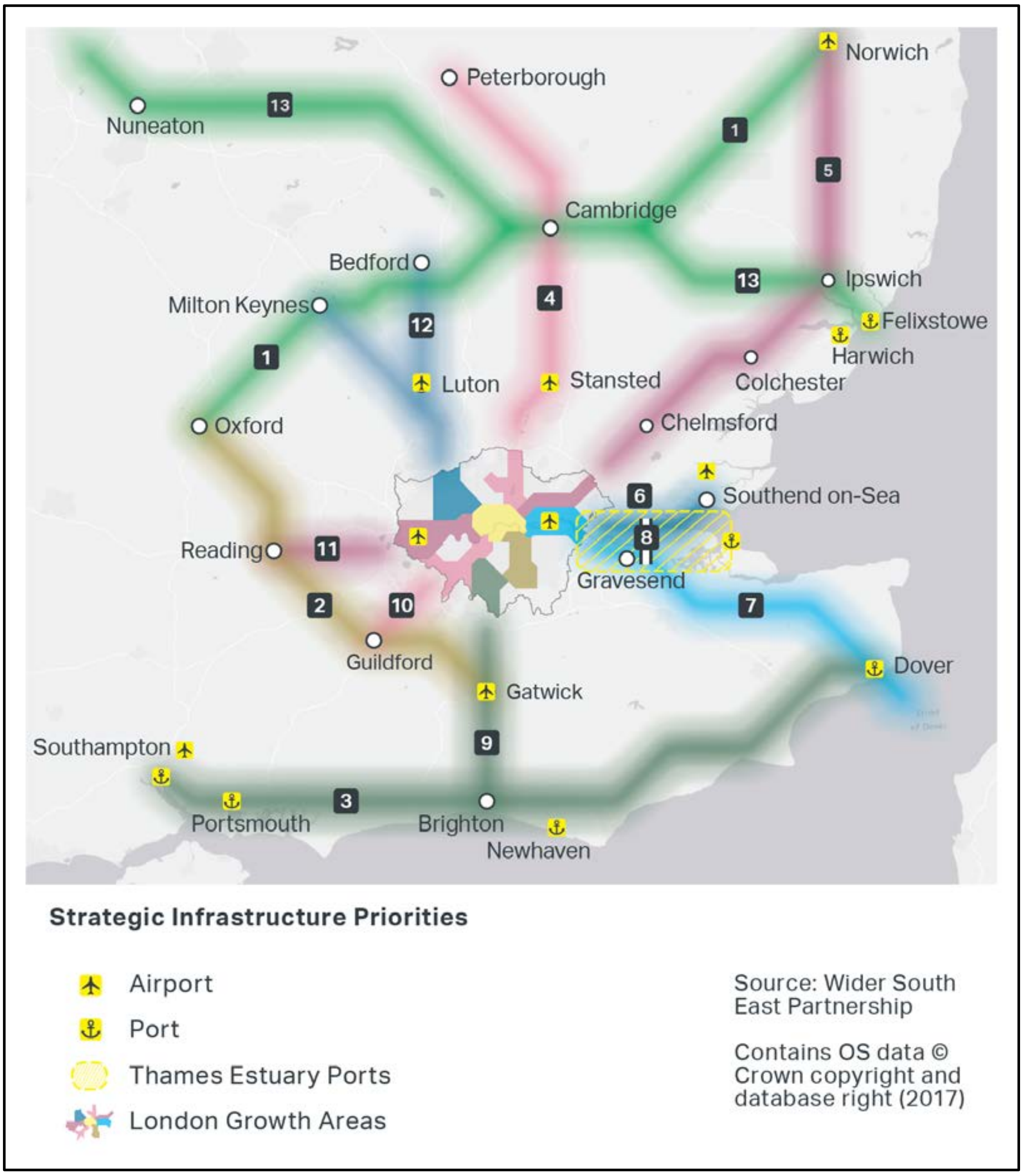
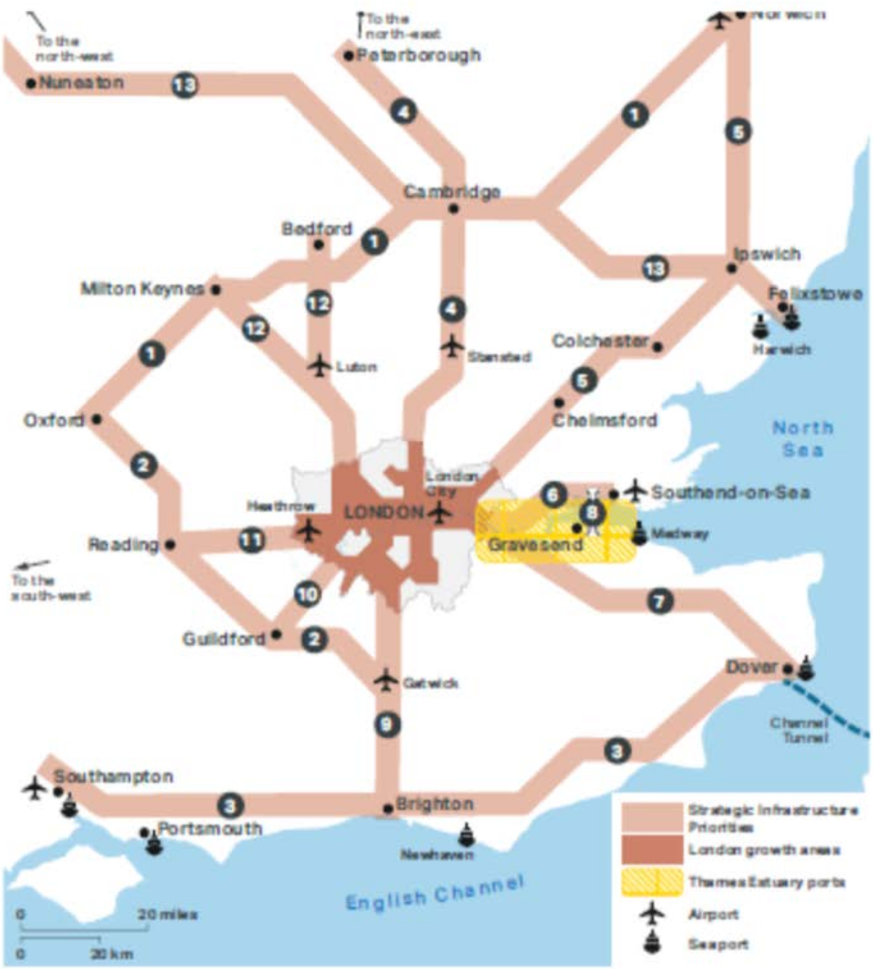


Figure 2 Mayor's Draft Transport Strategy updated Strategic Infrastructure Priorities Map



Strategic Infrastructure Priorities

1 East West Rail and new Expressway road link (Oxford-Cambridge)

2 North Downs Rail Link (Gatwick-Reading) including extension to Oxford

3 A27/M27/A259 and rail corridor (Dover-Southampton)

4 West Anglia Mainline, Crossrail 2 North (London-Stansted-Cambridge-Peterborough) and M11

5 Great Eastern Mainline (London-Ipswich-Norwich) and A12

6 Essex Thameside, A127 and A13 corridor

7 Thames Gateway Kent: Elizabeth line extension and HS1 (London-North Kent-Channel Tunnel)

8 Lower Thames Crossing

9 Brighton Mainline (London-Gatwick-Brighton)

10 South West Mainline, Crossrail 2 South West (London-Surrey/Southern Rail Access to Heathrow) and A3

11 Great Western Mainline (London-Reading/Western Rail Access to Heathrow)

12 Midlands and West Coast Mainline (London-Luton-Bedford/Milton Keynes)

13 Felixstowe-Nuneaton/ Midlands and A14

2.25 The map in Figure 2 shows that eight of these are radial priorities which connect directly to Growth Corridors within London. The relationships between the WSE SIPs and the London Growth Corridors are set out in the table below.

Table 1 Relationship between WSE SIPs and London Growth Corridors

Map key	WSE Strategic Infrastructure Priority	Growth Corridors & Opportunity Areas	Project type
1	East-West Rail and Oxford-Cambridge Expressway	No direct link	Road and Rail
2	North Downs Rail Link and extension to Oxford	Highspeed 2 / Thameslink	Rail
3	A27/M27/A259 Corridor	No direct link	Road and Rail
4	Great Eastern Corridor	Crossrail 2	Road and Rail
5	West Anglia Corridor and Crossrail 2 North	Elizabeth Line East	Rail
6	Thames Gateway Essex	Thames Estuary	Rail
7	Thames Gateway Kent		
8	Lower Thames Crossing	No direct link	Road
9	Brighton Mainline	Trams Triangle/London-Gatwick-Brighton mainline	Rail
10	Southwest Mainline and Crossrail 2 South West including Southern Access to Heathrow	Crossrail 2	Rail
11	Great Western Mainline and Crossrail South West including. Western Access to Heathrow	Heathrow/Elizabeth Line West	Rail
12	Midlands and West Coast Mainline	No direct link	Rail
13	Felixstowe to Midlands	No direct link	Road and Rail

2.26 The next section of the provides an overview of each of the thirteen SIPs and their likely timescales for delivery.

3.0 STRATEGIC INFRASTRUCTURE PRIORITIES IN THE WIDER SOUTH EAST

i) Introduction

3.1 This section of the report summarises known projects within the thirteen SIPs for the WSE as identified in the DLP. An overview of each SIP is provided, together with details of its component parts, the promoting organisations, the relevant funding and consenting mechanisms, the current status, and the anticipated timescales for delivery.

3.2 It should be noted that the SIPs do not necessarily translate into a defined single project with clear funding and delivery mechanisms, as many are made up of more than one project. We have sought to break the 13 priorities down into discrete projects so that it is easier to discern deliverability.

3.3 A summary of the information provided in this section is included as a schedule in Annex 1.

ii) Strategic Infrastructure Priority 1 - East-West Rail and Oxford-Cambridge Expressway

3.4 This corridor is made up of two projects with one comprising four discrete sections of the East-West Rail project, and the other comprising three discrete sections of the Oxford-Cambridge Expressway. All have different requirements and deliverables.

East-West Rail

3.5 The East-West Rail project was established by Ipswich Borough Council in 1995 and is currently being promoted by a consortium of local authorities, chaired by Cambridgeshire County Council.

3.6 The project's governance and delivery is made up of three organisations:

- East West Rail Consortium (strategic and business case + minor shareholder)
- East West Rail Alliance (design and build) – Network Rail, Atkins, Laing O'Rourke and Volker Rail
- East West Rail Company (finance and delivery) – Formed by Secretary of State for Transport

3.7 The ambition of the project is to connect Oxford in the west to Norwich and Ipswich in the East, via Bedford and Cambridge, whilst intersecting with the North-South Mainlines (Great Western, Chilterns, West Coast, Midland, East Coast and West Anglia). The route includes new track and stations as well as upgrading or making better use of existing lines.

3.8 The project is divided into three distinct sections (one of which has two phases):

- Western (Oxford – Bedford) (split into Phases 1 and 2)
- Central (Bedford – Cambridge)
- Eastern (Cambridge to Norwich and Ipswich)

Consent route

3.9 The project is being delivered through a combination of Transport and Works Acts, planning permissions and permitted development.

Timescale

3.10 The following timescales are targeted:

- Western Phase 1 — Complete
- Western Phase 2 — Preferred route is expected in 2019 with target opening 2024
- Central — Route consultation and preferred route selection in 2018, construction mid-2020s, operation early 2030s
- Eastern — No commitments or timescales.

Funding

3.11 The project is funded by the Department of Transport and the East West Rail Consortium, along with additional developer contributions.

3.12 Phase 1 is identified in, and has been delivered through, Network Rail's Control Period 5 investment phase (CP5) (2014-2019). Phase 2 (Bicester to Oxford) is also allocated in Network Rail's CP5. Phases 3 and 4 are not identified for funding in the CP5. Control Period 6 (CP6) (2019-2024) funding was not published at the time of writing and is anticipated in summer 2018.

3.13 The Chancellor set out a package of measures in the Autumn 2017 budget including commitments to complete the Western phase and accelerate the Central phase of East-West Rail.

Commentary

3.14 The East – West Rail project is clearly established as a strategic project, with National Infrastructure Commission (NIC) backing, and recent further commitment from Government to deliver the Western phase in full and accelerate the Central phase.

3.15 The project should also be seen in the context of the high profile of the wider Cambridge – Milton Keynes – Oxford corridor and the role of this region in economic growth and housing delivery at the national level. In our view, this increases the likelihood that funding will continue to be prioritised for the Central phase.

3.16 We have reasonable confidence that the Western and Central sections will come forward in the Plan period. However, the Eastern phase of the project remains at the conceptual stage with no funding or detailed timescale. Although there is no direct link between the Eastern phase and the DLP's Opportunity Areas and Growth Corridors, implementing this phase could also have in-direct benefits for SIP 5 (Great Eastern Corridor) and SIP 13 (Felixstowe to Nuneaton) by improving rail connectivity throughout East Anglia. Therefore, we consider that the Mayor has a strategic interest in all phases of this project and on-going support for its delivery is worthwhile.

Oxford-Cambridge Expressway

3.17 The Oxford to Cambridge Expressway is a strategic road link between the two cities, first announced in the Department for Transport's 2014 Road Investment Strategy (RIS 1) for Highways England.

3.18 The broad thinking is an Expressway could connect three economically strong cities with similar characteristics (Oxford, Cambridge and Milton Keynes) to facilitate stronger growth through greater interaction and investment.

3.19 RIS 1 identifies three sections of the Expressway:

1) The A428 between Milton Keynes and Cambridge, which could be upgraded. Proposals to widen the A428 to create an expressway between Cambridge and Milton Keynes form part of RIS 1.
2) Oxford to Milton Keynes, approximately 30 miles in distance where there is no direct route between the M1 and M40 and would require a new road. A strategic study has been completed and identifies 3 potential routes between the M1 and M40.
3) Bicester to Abingdon route around Oxford to increase capacity.

Funding

3.20 Funding the for A428 forms part of RIS 1. Funding has yet to be announced for the next stage of the M1-M40 link and would need to be included in the next RIS period.

3.21 As with the East-West Rail Link, the 2017 Autumn Budget included commitments to deliver the M1-M40 link as part of the wider package of measures for growth in the corridor, so commitment to funding in RIS 2 is anticipated.

Consenting route

3.22 The A428 upgrade is being progressed as a Development Consent Order (DCO), currently at the pre-application options stage.

3.23 No announcement has been made for the M1 to M40 route. It would appear to exceed the threshold to require a DCO, based on information available, so we anticipate that the project will be progressed in line with the development consent process.

3.24 No works have been identified for the Bicester to Abingdon (Oxford sub-options), therefore it is too early to determine the appropriate consenting route. As improvements to or constructions of new highways, these may also exceed the threshold to require a DCO.

Timetable

3.25 The A428 Black Cat to Caxton Gibbet was due to be submitted as a DCO application in time to start work in 2020. However, the project has been delayed following consultation on options and Highways England are yet to announce their preferred option. Highways England publicly advise that a development consent application is still expected in 2018.

3.26 The M1-M40 link does not have a formal public timetable associated with it, and this would most likely follow any funding announcement in RIS2.

3.27 No works have been identified for the Bicester to Abingdon (Oxford sub-options), therefore no timetable is available.

Commentary

3.28 The Expressway benefits from strong national backing from the Government and the NIC. The focus of the expressway is the M1-M40 link, and we have reasonable confidence that funding will be forthcoming for the project and that it would require development consent.

3.29 The DCO process gives certainty of timescale once an application is submitted, however the nature of the proposal and its location means that the application is likely to give rise to challenging planning and environmental issues that we expect to be tested carefully through the DCO Examination process. Therefore, the pre-application process will be crucial in establishing what the issues are and whether they are resolvable, and the extent to which there will be opposition to the scheme. The NNNPS, along with the evidence gathered by the NIC, provides a strong basis for the need case for the project and we anticipate that it will come forward during the lifetime of the DLP.

3.30 We would raise a note of caution with respect to the works on the A428 and between Bicester to Abingdon. Whilst it is likely that these will also be progressed through the DCO process, the A428 needs to be submitted by September 2018 in order to meet the timescale required for funding under RIS 1, but it has been delayed at pre-application stage. These projects carry a funding risk in that they require works to begin within the 5-year funding timescale set in the RIS. Therefore, whilst the M1-M40 section is perhaps the key to unlocking the Expressway, the realisation of all the works is not, at this current time, guaranteed.

3.31 The Mayor has the opportunity to engage in the development consent process directly with Highways England at the pre-application stage, and as an interested party in any examination. Consequently, we consider there to be an opportunity here for the London Plan to support the evidence base for these projects and act as a platform for direct engagement in future development consent applications.

iii) Strategic Infrastructure Priority 2 - North Downs Rail Link and extension to Oxford

3.32 The North Downs Rail Link is a project to enhance track, stations and services on the existing North Downs Line between Reading and Redhill, passing mostly through Surrey County Council's administrative area.

3.33 In 2015, the Council issued an assessment of North Downs line that set out a vision for future improvements drawing on a Wessex Line study carried out by Network Rail, that had been prepared to inform the Council's future engagement.

3.34 The report identifies a number of interventions across track, station and services, requiring collaboration with the relevant franchise holder, Network Rail and the Department for Transport. The key intervention is electrification of the track, which would require funding through the Network Rail Investment Control Periods.

Funding

3.35 CP5 (2014-2019) includes works at Redhill Station to enable an increase in the number of trains operating on the North Downs line. Further station improvements and electrification works are not included in that control period and would need to be identified in CP 6 (2019-2024). The

County Council has also identified potential in principle for other funding streams through three Local Economic Partnerships (LEPs) (Coast to Capital, Enterprise M3 and Thames Valley Berkshire).

Consenting route

3.36 Consent for the electrification of the line would be dependent on the scope of the project and its associated works. Electrification could fall under permitted development rights, although consents such as listed building consent may still be required. A Transport and Works Act (TWA) application can also be made for alterations to a railway. Where the alteration is a continuous length of more than 2 kilometres and not on the railway undertaker's operational land (unless specifically acquired for the alteration) this may cross the threshold to be a NSIP, requiring a DCO.

Timetable

3.37 The next steps are dependent on securing investment in Network Rail's CP 6 (2019-2024) and any investment through the Local Economic Partnership. CP 6 funding was not published at the time of writing and is anticipated in summer 2018.

Commentary

3.38 The North Downs Rail Link has the political backing of the County Council and the three LEPs and is grounded in technical work and engagement with Network Rail. However, funding is dependent on CP 6 and the project is in competition with other strategic corridors in this Period and high-profile rail projects nationally.

3.39 It's not clear at this stage what consents would be required, and if works can be carried out under permitted development it may be an attractive delivery option. However, without funding guarantees being in place, it remains a project at risk of not being delivered in the Plan period.

iv) Strategic Infrastructure Priority 3 – A27/M27/A259

3.40 This corridor contains a number of discrete projects identified in Highways England's RIS.

A27 Arundel Bypass

3.41 The A27 Arundel Bypass is one of four projects proposed to reduce congestion on the A27 and was first announced in the Department for Transport's 2015-2020 Road Investment Strategy (RIS 1) for Highways England. The scheme involves the replacement of the existing single carriageway road with a new dual carriageway bypass. This would link together the two existing dual carriageway sections of the A27 either side of Arundel.

3.42 The scheme takes place over a 6km section on the A27, which passes through the South Downs National Park, the town of Arundel, and crosses the river Arun. The existing route also includes a level crossing. Three bypass options have been provided by Highways England.

Funding

3.43 Funding for the scheme forms part of RIS 1. A budget of between £100-£250 million has been allocated to the scheme with the costs being dependant on the preferred bypass option.

Consent Route

3.44 The scheme is being prepared as a development consent application.

Timetable

3.45 Highways England are currently analysing the responses gathered from a non-statutory consultation period (as part of the DCO process) which ran from August to October 2017. A Preferred Route Announcement is expected in early 2018.

3.46 Currently, there is no clear schedule for when Highways England will begin preparing and lodging the DCO application. Highways England has, however, stated that construction for the project will begin by the end of March 2020 and the route will be open for traffic in 2022.

Commentary

3.47 Projects funded by Highways England's RIS1 are required to start work by the end of the investment period. Projects requiring development consent will need to be submitted by September 2018 for a decision to be made and works to start by March 2020. At the present time there is a risk that pre-application work may not be completed within the timescale given a preferred route has not yet been announced and the work that would be required to prepare an application following that announcement. However, there is scope for funding to be allocated in RIS2 (2020-2025).

3.48 In our view, assuming the project reaches the DCO Examination stage, then the primacy of the NNNPS and the consenting record of previous Highways England applications, it would be reasonable to consider the project as deliverable within the London plan period.

A27 Worthing and Lancing Improvements

3.49 The project aims to improve the capacity of the road and junctions along the stretch of single carriageway in Worthing and narrow lane dual carriageway in Lancing over a total stretch of 6km. The route passes through northern parts of Worthing and Lancing and is bordered by the South Downs National Park to the north of the A27.

3.50 The chosen option (out of 6 potential options) for the scheme looks to improve the 6 key junctions along the route. The preferred option was selected as it meets the scheme objectives whilst offering value for money within the set budget.

Funding

3.51 This project forms part of RIS 1 and has been allocated a budget of between £50 - £100 million. The chosen option of improving the 6 key junctions has an estimated cost of £69 million.

Consenting Route

3.52 It is likely that the scheme will be require a DCO, however, this is dependent on the size and impacts of the scheme which may change following design development.

Timetable

3.53 Highways England are currently in the process of analysing the responses gathered from consultation undertaken between July and September 2017. Highways England is aiming to publish a report of this consultation alongside the Preferred Route Announcement in early 2018.

3.54 Statutory public consultation (under the Planning Act 2008) is scheduled for spring/summer 2018, with submission of the DCO application expected in summer/autumn 2018, and a decision by early 2020.

3.55 Highways England states that it plans to begin construction in 2020 and open the route to traffic in 2022.

Commentary

3.56 Similar to the A27 Arundel Bypass, based on publicly available information, this project would need to secure development consent within the funding cycle noting that if it did not secure consent, funding may then be allocated in RIS2.

3.57 As with the A27 Arundel Bypass, should the project reach the DCO Examination stage, then the primacy of the NNNPS and the consenting record of previous Highways England applications, it would be reasonable to consider the project as deliverable within the London plan period.

A27 East of Lewes

3.58 This scheme by Highways England includes five improvement projects. The Preferred Route Announcement was made in Autumn 2017. The proposals include:

Project	Objective
Drusillas Roundabout widening	To relieve congestion, improve journey times along the A27 and for north-south traffic. Crossing upgrade will improve local access and benefit horse riders.
Wilmington junction Option 7	Improving access to and from the A27, reducing delays.
Gainsborough Lane junction	Providing a right turn facility to reduce community separation and improve access to and from the A27
Polegate Option 13	To accommodate more traffic and provide safer pedestrian crossings
Walking and cycling path	To reduce delays from traffic overtaking cyclists, reduce the risk of accidents for walkers and cyclists, and reduce journey times between communities

Funding

3.59 This scheme forms part of RIS1 and has an allocated budget of £75 million.

Consenting Route

3.60 The scope of the works may fall under the threshold for development consent. Highways England have not yet confirmed the consenting route to be pursued for the works.

Timetable

3.61 Highways England has stated that full public consultation on the preferred route will take place late 2018 after the preferred route was announced in Autumn 2017.

3.62 Construction works for the scheme aims to begin in Spring 2020 with the road being open to traffic in 2022.

Commentary

3.63 The works required for this scheme are relatively small compared with the other highways projects in this corridor and in the other SIPs. Funding has already been allocated and provided the works do not require development consent then it is reasonable to consider that these projects are deliverable within the DLP period.

M27 Junctions 4 to 11: Smart Motorways

3.64 This project involves the upgrading of the M27 along a 24km stretch between junction 4 and 11. This will involve turning the hard shoulder into a permanent running lane making a dual four lane with the use of smart motorway technology.

3.65 Smart motorways use technology to actively manage the flow of traffic from a regional traffic control centre which can monitor traffic carefully and can activate and change signs and speed limits.

Funding

3.66 Funding was confirmed in the RIS 1.

Consenting Route

3.67 The decision on the consent required is based on factors such as the works required and the extent to which it can be carried out under permitted development rights. In this instance, Highways England are not progressing the project as a DCO, indicating that it may fall under their permitted development powers.

Timetable

3.68 Highways England are currently in the process of designing the smart motorway scheme with plans to conduct Public Information Events (PIEs) in early 2018, prior to implementation.

Commentary

3.69 The implementation of Smart Motorways forms a wider part of Highways England's investment in the Strategic Road Network, and funding for this project has been in place in principle as part of the current funding round.

3.70 As the project does not appear to require development consent it should be possible for Highways England to implement the scheme following the PIEs in 2018, and media reports suggest this could be as soon as March 2018.

3.71 Overall, we have a high level of confidence that this project can be delivered in the London Plan period.

A259 Upgrade Littlehampton Improvements

3.72 The project comprises the widening of the A259 to a dual carriageway, with new junctions, pedestrian footways and cyclepaths. The scheme is approximately 2km in length and is being promoted by West Sussex County Council.

Funding, consenting and timetable

3.73 Funding of £14.8 million is expected to come from a combination of developer contributions, the Council directly and Government grants via the Coast to Capital LEP. The Council undertook public engagement and is currently developing detailed design and acquiring land. As of July 2017, the Council anticipated that construction would start in late Spring / Early Summer 2018.

Commentary

3.74 The relatively local scale of the proposal and advanced stage of the project means that it is reasonable to consider that this project will be delivered at an early stage of the London Plan period.

Dover to Southampton Rail Corrido

3.75 The Mayor's draft Transport Strategy refers to the Dover to Southampton rail corridor, however based on a review of publicly available information, including Network Rail's South East Route Strategic Plan (February 2018), there does not appear to be a clear investment proposal or programme for this rail route.

Commentary

3.76 In the absence of available information on this particular rail corridor within Network Rail's strategic plan for the South East, there does not appear to be a deliverable project that could contribute to the aims of the London Plan. The London Plan should provide clarification on this particular SIP project and its contribution to the aims of Policy SD3.

v) Strategic Infrastructure Priority 4 – West Anglia Corridor and Crossrail 2 North

West Anglia Corridor

3.77 The West Anglia Corridor focuses on rail improvements between London and Cambridge, through the Upper Lea Valley and Stansted Airport. The focus of the improvements is to increase the capacity to four tracks at specific bottle-necks, in advance of, and to enable, future Crossrail 2 implementation. Other improvements such as new stations and access improvements form part of the wider project aims.

3.78 In 2015, the then Mayor of London and Chancellor announced the creation of a cross-party West Anglia Taskforce to support growth in the 'West Anglia' region. The Taskforce completed a report to promote the strategic case for four-tracking to support in 2016 and this appears to form the basis of the project's promotion.

Funding

3.79 Funding has already been committed in CP5 to station developments and improvements along the West Anglia line.

3.80 The Taskforce concludes that the longer-term improvement will require investment from local authorities, Government and LEPs and forms the next phase of work for the Partnership, including representations to the Network Rail CP 6 (2019 – 2024).

3.81 Network Rail's 2018 Strategic Business Plan, which is a precursor to its funding programme in CP 6 (2019-2024), indicates that it will replace rolling stock, provide new stations and increase services in CP6, although four-tracking is not mentioned specifically.

Consenting route and Timetable

3.82 There is no publicly available information on the likely consenting route. The scale of the improvement may be substantial enough to require a DCO or TWA Order, but this would be dependent on factors such as the amount of work possible within operational railway land.

3.83 The Taskforce are seeking completion of the four-track element in advance of Crossrail 2 and by 2024. The Mayor of London proposes in the draft London Transport Strategy that the combined 4-track and Crossrail 2 to be delivered between 2020 and 2041.

Commentary

3.84 This project has strong technical and strategic foundations with cross-party political leadership and the backing of the Mayor. Strategically it is positioned as, and considered to be necessary for, the longer-term delivery of Crossrail 2 North, subject to early funding and delivery. It is also strategically identified as one arm of the Cambridge – London – Oxford triangle and given the national profile of the Oxford – Cambridge arm, set out earlier in this report, we consider that this political support is significant.

3.85 At present, the risk lies in the need to secure funding for the key technical element – four-tracking sections of the Main Line. This won't be determined until the next Network Rail Control Period (CP6 2019-2024).

3.86 In light of the above, we think it is reasonable to consider that this element of the corridor will be delivered in the plan period subject to the caveat that it's dependent on CP6 funding.

Crossrail 2 - North

3.87 This section also applies to Crossrail 2 – South West (see below)

3.88 Crossrail 2 is a scheme being developed by Transport for London and Network Rail, sponsored by the Mayor of London and the Department for Transport. It contains a core route through London, north – south, from London Borough of Hackney (Seven Sisters / Tottenham Hale) through to Clapham Junction in London Borough of Wandsworth. Beyond those points there are route options and spurs linked to the wider rail network with broad routes developed for Crossrail 2 North and Crossrail 2 South-West. The broad route and stations have been identified for the core, north and south-west routes.

3.89 The Crossrail 2 Programme Board makes recommendations to the Mayor of London and Secretary of State for Transport. The board includes representatives from Crossrail 2, the Department for Transport, Transport for London, Network Rail, HM Treasury, Ministry for Housing, Communities and Local Government, the Greater London Authority and the Infrastructure and Projects Authority. Given that this brings together decision makers with responsibility for planning, transport and finance at the national and London Government levels, the project has cross-government visibility and profile that is unlikely to be matched by any other of the other 12 SIPs.

Funding

3.90 Transport for London commissioned an independent Funding and Financing Study, which reported in 2014, to meet a challenge set by the Government for London to fund more than half of the project. This report considered a number of funding options and through a combination of fare receipts, existing local government and Mayoral funding mechanisms, with a small proportion of private sector contribution, it envisaged that this could be achieved.

3.91 The NIC has made repeated recommendations for the Government to agree a funding plan for Crossrail 2 to enable it to open in 2033[1 2 3].

3.92 Crossrail 2 submitted an outline business case to Government in March 2017, which was reviewed by the Infrastructure Projects Authority (IPA), who recommended an independent review. This review was announced in the Autumn budget in 2017, is on-going, and Transport for London expect it to conclude in Autumn 2018. This could potentially push the delivery of the project beyond 2033.

Consenting route and timetable

3.93 The project is currently envisaged as a hybrid bill to be submitted to Parliament in 2021-22. Consultation has been underway since 2013 and the project development is envisaged to continue, including route design, environmental assessment and development of funding in 2018 towards a preferred option. Subject to consent, construction would continue through the 2020s into early 2030s, with Crossrail 2 opening to the public in early 2030s.

Commentary

3.94 Crossrail 2 is the highest profile, most complex and most expensive of the 13 SIPs. Technically and politically, significant progress has been made as the governance arrangements involve key government stakeholders. It is also a significant project to help realise the growth projections and ambitions in this strategic corridor, building on the West Anglia Main Line project considered above.

3.95 The key issue is funding and financing, which we think will involve politically sensitive decisions at the national and London Mayoral level. The complexity of the project also means that consent through the hybrid bill route won't carry the certainty of timescale that can be assumed with a DCO application.

3.96 Given the on-going investment for the West Anglia route and the cross-party taskforce in anticipation of Crossrail 2, we expect this branch of Crossrail 2 to come forward once funding and financing has been resolved.

3.97 It is reasonable to consider that Crossrail 2 will come forward in due course, however the funding and consenting arrangements remain subject to Government scrutiny given that the primary funding streams will come from Government at all levels. Overall, we consider that the

[1] Transport for a World City
[2] Congestion – Capacity – Carbon: Priorities for national infrastructure
[3] Annual Monitoring Report 2018

potential for increased economic growth linked to the delivery of Crossrail 2 means that it would be supported in the medium to longer term, potentially from the late 2020's onwards.

vi) Strategic Infrastructure Priority 5 – Great Eastern Corridor

3.98 The Great Eastern Corridor runs from London through Suffolk and up to Norfolk, taking in Ipswich and Norwich. There are no significant railway upgrade projects for this corridor in Network Rail's Control Period or its 2018 strategic business plan.

3.99 Instead, Crossrail 2 is seen as enabling greater capacity on the Anglia network (see commentary on SIPs 2 and 6 - Crossrail 2 Northern and Eastern branches respectively).

3.100 There is one notable road improvement scheme in this corridor being promoted by Highways England, the A12 - A120 near Chelmsford.

Funding, consenting and timescales

3.101 Funding for the project is allocated in RIS1 and will require a DCO. The project is due to announce its preferred route option in Spring 2018, ahead of an application for development consent currently targeted for Autumn 2018. As with other RIS 1 projects, consent will be needed and works started before the end of the investment period in March 2020. The statutory timescales for DCO Examinations mean there is a risk that the project may not meet the required timescale if the submission of the application is delayed.

Commentary

3.102 The identification of the Great Eastern Corridor as a SIP appears to lack the promotion of infrastructure projects beyond Crossrail 2 Eastern Branch and the A12-A120. If this corridor forms part of the London Plan assumptions based on high connectivity, then current infrastructure provision may need to be tested to ensure it has the capacity to meet those assumptions without any further upgrades.

3.103 Furthermore, there is the scope for the London Plan to set a collaborative framework to explore new infrastructure delivery opportunities specifically for this corridor and SIP 6 below and SIP 13, to bring them on a par with opportunities in other SIPs.

vii) Strategic Infrastructure Priority 6 – Thames Gateway Essex

Crossrail 2 – Eastern Branch

3.104 Crossrail 2 is a scheme being developed by Transport for London and Network Rail, sponsored by the Mayor of London and the Department for Transport. Crossrail 2 Eastern Branch has not been developed in detail as part of the current Crossrail 2 project, and instead is identified as an indicative future extension of Crossrail 2 north of the Thames through Hackney and beyond to Essex on the current Crossrail 2 route.

3.105 The extension is supported by Essex County Council and the London Boroughs of Barking and Dagenham, Hackney, and Newham, who in 2016 commissioned a joint transport study to identify the economic benefits of an extension.

Funding

3.106 The 2014 independent funding and financing study does not include the Eastern Branch. In the 2017 draft London Transport Strategy, the Mayor of London proposes to carry out feasibility work for the project between 2030 and 2041.

Consents and timescales

3.107 It is the intention that Crossrail 2 will be authorised by Parliament through a Hybrid Bill. A Hybrid Bill would provide the legal powers, including land acquisition, required for the project. High Speed Rail projects and Crossrail 1 all followed the Hybrid Bill consenting route.

3.108 Crossrail 2's published timescale for seeking a Hybrid Bill is 2019-early 2020s, however this was prior to the Government's announcement to hold a review of funding for the project.

Commentary

3.109 The extension of Crossrail 2 to Essex via the East London boroughs remains a political aspiration, albeit underpinned by technical work. The technical, funding and financing challenges for Crossrail 2 are already complex and therefore it is considered unlikely that this project will come forward in the foreseeable future.

3.110 We consider that Crossrail 2 Eastern Branch has a strategic relationship with the wider Eastern SIP and, in comparison with proposed projects and investments across the WSE (notwithstanding the Overground extension to the Barking Riverside Opportunity Area), there may be an opportunity to bring forward work and support for this project and consequently the SIP.

viii) Strategic Infrastructure Priority 7 - Thames Gateway Kent

High Speed 1 Extension to Eastbourne

3.111 The project is an extension of the operational High Speed 1 line that currently runs from London St Pancras International to Ashford International. The project would see the link extended into East Sussex with stations including Rye, Hastings, Bexhill and Eastbourne.

Funding, consenting route and timetable

3.112 In 2015, Mott MacDonald undertook a study into the benefits of an extension on behalf of the local authorities. However, based on a review of publicly available information, there are no formal plans or funding commitments for the extension at present.

Crossrail 1 – Elizabeth Line Extension

3.113 Crossrail 1 (The Elizabeth Line) is a new rail link running east – west through London connecting Heathrow in the west with major interchanges and destinations in London, and then out to Woolwich and Abbey Wood in South East London.

3.114 The Secretary of State for Transport has safeguarded routes west to Maidenhead and east to Gravesend, so that Local Planning Authorities are required to consult Crossrail on any applications in the safeguarded areas. The routes are not, however, part of the current Crossrail 1 project.

Funding, consenting route and timetable

3.115 The Mayor of London proposes to have the Elizabeth Line extension delivered between 2020 and 2041 (draft Transport Strategy, 2017). No funding commitments are in place at present (based on publicly available information). It is not clear what consenting route would be required, however other Crossrail projects have been subject to hybrid bills. There is no timetable indicated for this phase of the project other than in the Mayor's draft Transport Strategy.

Commentary

3.116 High Speed 1 is an established operational railway, whilst the Elizabeth Line is nearing completion. The extensions to these routes remain at the concept stage, albeit with political backing and in the case of Crossrail, a safeguarding direction. However, at present, based on the information available, there is no prospect of either project coming forward during the London Plan period.

ix) Strategic Infrastructure Corridor 8 - Lower Thames Crossing

3.117 The Lower Thames Crossing was one of Highways England's six main strategic studies, announced under the RIS1. It comprises a new road tunnel under the Thames, east of the Dartford Crossing.

3.118 Detailed work and consultation on options have been completed and the project is being progressed as a development consent application.

Funding

3.119 Work to date has been funded by the Department for Transport through Highways England's RIS 1. The next Investment Period (2020-2025) would be expected to provide funding for the implementation of any consent, however details of RIS2 have yet to be published.

Consenting route and Timetable

3.120 The project requires development consent and is currently at the pre-application stage. The applicant has received an Environmental Scoping Opinion from the Secretary of State and is preparing to undertake Statutory Consultation (under the Planning Act 2008) in 2018.

3.121 A DCO application is anticipated between July and September 2019, meaning a decision is likely late 2020 / early 2021.

Commentary

3.122 The Lower Thames Crossing is a NSIP, with a high profile as one of the potential new river crossings in the Thames Gateway. As one of the six strategic studies funded by RIS1 and with pre-application work for the DCO application now underway, the two key risks are the complexities of the project which may result in the DCO not being made, or a change to funding arrangements when RIS2 is announced.

3.123 We expect air quality to be a particularly complex issue, considering the current challenge under EU legislation to the UK Government's Air Quality Plan and the local air quality issues. We anticipate that given the national need case established by NNNPS, and the identification of the project as one of strategic importance to the Strategic Road Network, it is reasonable to consider that the project will gain consent, subject to the air quality issues being resolvable. The statutory timescales associated with the DCO process provide additional confidence that the project can be delivered within the London Plan period.

x) Strategic Infrastructure Corridor 9 - Brighton Mainline

3.124 The Brighton Mainline refers to the rail corridor between London and the south coast focusing on the existing Brighton Mainline rail link.

3.125 Network Rail's CP5 already commits funding for improvements on the Brighton Mainline. In 2016, the Department for Transport commissioned a study to look at options for further investment. This study included upgrading the existing link, reopening lines and constructing new lines including a proposed 'Brighton Mainline 2'. The study concluded that the strategic priority should be upgrading the existing line and that this should be progressed through CP6 funding.

Funding, consenting and timescale

3.126 CP5 works are due to begin in October 2018 running to February 2019. CP6 funding has not yet been announced and there is no specific indication in Network Rail's February 2018 strategic business case of commitments for CP6.

3.127 It is not clear at this stage what consents may be required as this will be dependent on the works specification. Works may be covered by permitted development, but alterations outside of the operational land may require a TWA Order or a DCO.

3.128 The Mayor's draft Transport Strategy (2018) indicates higher frequency trains will be delivered between 2020 and 2030.

Commentary

3.129 Despite the limited information available, the Brighton Mainline has been part implemented through Network Rail's current funding round and the Department for Transport has continued to fund technical work.

3.130 Additional commitment from the Mayor of London through the Trams Triangle / London – Gatwick – Mainline Opportunity Area and the draft Transport Strategy indicates that there is regional political support for this project. Its deliverability is dependent on Network Rail's next funding round. Subject to that significant caveat, it is reasonable to consider that the project can be delivered in the London Plan period.

xi) Strategic Infrastructure Corridor 10 - Southwest Mainline and Crossrail 2 South West including Southern Access to Heathrow

Southwest Mainline

3.131 The works for this project focus on station capacity to accommodate passenger numbers at key suburban stations and new platforms at Queenstown Road and Woking.

Funding, consenting route and timetable

3.132 These works fall within the scope of CP6 and are not of the scale to require either a DCO or a TWA Order. Network Rail has indicated in its 2018 strategic business case that it will invest £2bn in the route, including works at Woking, Guildford and other suburban stations.

Commentary

3.133 The relatively small scale of the works involved, and the emerging strategic commitments from Network Rail indicate that it is likely these works will be completed in the London Plan period.

Crossrail 2 – South West

3.134 See earlier commentary on Crossrail 2 North (SIP 3).

Southern Access to Heathrow

3.135 Heathrow Terminal 5 was constructed with future-proofed space to accommodate future rail access from the South and / or West of the UK. Southern Access to Heathrow is currently a privately funded proposal to build a new rail link from Heathrow Airport to the South Western Mainline, with proposed spurs at Chertsey and Staines.

Consenting, funding and timescales

3.136 There is limited publicly available information about timescales or proposals. The draft NPS for Airports in the South East envisages contributions from Heathrow Airport to an improved Southern Access, which will be negotiated as plans for the airport's expansion develop. A DCO application for a third runway at Heathrow Airport is currently expected in early 2020.

3.137 This project may require development consent depending on factors including whether continuous sections of track exceed 2 kilometres. All projects that require development consent need to register with the Planning Inspectorate, who also publish all details of meetings with applicants along with intended application submission dates. No information has been published by the Planning Inspectorate in respect of this project at the time of writing.

Commentary

3.138 As the only fully-privately funded project within the 13 SIPs, the Southern Access to Heathrow is perhaps the most difficult project to determine deliverability with any certainty. Although the proposed application for a Third Runway at Heathrow is a consideration, it does not mean that this project will be brought forward, particularly as it remains outside the scope of Government investment plans.

3.139 On this basis, given the relationship with the proposed Heathrow Third Runway DCO application, no formal timescale and / or pre-application notification of a development consent application, we consider that this project is unlikely to be delivered within the London Plan period.

xii) Strategic Infrastructure Priority 11 - Great Western Mainline and Crossrail South West including Western Access to Heathrow

Great Western Mainline

3.140 The project focuses on the electrification of the Great Western Mainline from London Paddington through to Cardiff. The project is in the latter implementation phase with works being carried out through 2018 between Bristol Parkway and Cardiff Central, and Reading and Newbury.

Funding, consenting and timescales

3.141 Funding for the electrification project was provided in CP5. Network Rail's 2018 strategic business plan indicates that future development and funding in CP6 will focus on improving services on the route.

Commentary

3.142 This project is expected to be completed early in the London Plan period.

Crossrail 2 – South West

3.143 See earlier commentary on Crossrail 2 North (SIP 3).

Western Access to Heathrow

3.144 Heathrow Terminal 5 was constructed with future-proofed space to accommodate future rail access from the South and / or West of the UK. Western Access would see a tunnel from a spur on the Great Western Mainline at Langley to Terminal 5.

Funding

3.145 Network Rail is promoting the scheme as part of its Railway Upgrade Plan and funding has been allocated In CP5 (2014-2019) to develop the project through to a preferred option. Any further funding would need to be established in the next Control Period.

Consenting and timescales

3.146 The scheme will go through the DCO process and is currently at the pre-application stage. No submission date has been confirmed as yet, and statutory consultation is planned for late Spring 2018. On that basis, the earliest we would anticipate a development consent application would be Autumn 2018, but the relationship between this project and the proposed Third Runway at Heathrow Airport may be a relevant factor, adding complexities in terms of funding, planning and assessment information.

Commentary

3.147 In contrast with the Southern Rail Access to Heathrow project, investment to develop this project has progressed through Network Rail's investment plan and Network Rail has been active in preparing a DCO application. This application also has an intrinsic relationship with the proposed DCO application for a third runway at Heathrow Airport and any application is likely to be complex in terms of technical assessments. Although the pre-application work is not progressing at the pace that, for example, Highways England DCO applications have done, we do consider that, subject to the significant caveat that further funding is available in the next Control Period, it is reasonable to consider that this project could be delivered in the London Plan period.

xiii) Strategic Infrastructure Priority 12 - Midlands and West Coast Mainline

3.148 The Midland Mainline upgrade programme includes the electrification of the main line, requiring enhancement and upgrade works to bridges and embankments, and the installation of equipment to facilitate electrification.

3.149 The project includes works at Market Harborough for speed improvement, Kettering and Corby electrification, Derby for re-signalling, and bridge works at Bedford.

3.150 The key West Coast Main Line project is a power upgrade that has spanned CP4 and CP5. Network Rail do not identify any significant works for CP6 in their 2018 strategic business plan but recognise that the implementation of High Speed 2 is intended to increase capacity on the West Coast Main Line.

Funding, consenting route and timetable

3.151 Funding has been allocated for the electrification of the main line north of Bedford, work is underway and is scheduled for completion by December 2019.

3.152 Further funding and upgrade work is dependent on CP6. Network Rail indicates in its February 2018 Strategic Business Plan that there will be funding of £133.2m made available for the Bedford to Nottingham stretch of the Midland Mainline, including capacity and line speed improvements.

3.153 Electrification works to date have been carried out under permitted development. It is not clear from publicly available information if further upgrade work will require a TWA Order or a DCO, or whether works could be carried out under permitted development rights.

Commentary

3.154 Network Rail's Strategic Business Plan indicates that the upgrade programme will continue in the next investment round and it is reasonable to consider that the Midland Mainline project will be delivered in the London Plan period.

xiv) Strategic Infrastructure Priority 13 - Felixstowe to Midlands

3.155 This project is a strategic freight rail route from the port of Felixstowe through to the Midlands via Ely in Cambridgeshire.

3.156 Network Rail carried out a Freight Network Study in April 2017 to inform its 30-year long-term planning process and has identified short term works along the route as the highest national priority. Works include new track, infrastructure and signalling works along the line. The Suffolk part of the route is also identified as a priority route to support the electrification of rail freight services.

Funding

3.157 Funding for this work is not yet allocated. Network Rail's 2018 Strategic Business Plan states that CP6 will include a Felixstowe to Nuneaton programme, noting that not all projects are funded, and some require further development.

Consenting route and timetable

3.158 The works required along the route may be subject to different consenting requirements. Some works may be possible under permitted development, whilst others may require either a TWA Order or a DCO.

3.159 No delivery timetable has been published.

Commentary

3.160 This project forms part of Network Rail's long-term strategy and although its most recent study identifies this route as a national priority, it will require the funding to be allocated through the next funding round and projects put together for respective consenting routes which are not known at this stage. The Strategic Business Plan gives confidence that there will be investment in this corridor, but the extent and amount of investment is not yet clear.

3.161 We note that the Government has asked the National Infrastructure Commission (NIC) to undertake a study on the future of freight and anticipate that in line with the NIC's approach to date that it will provide firm recommendations which highlight the most pressing investment decisions and potentially identify strategic locations for that investment. Therefore, the policy context for freight is likely to have a higher profile and may benefit this project, given it is already considered a national priority by Network Rail.

3.162 It is reasonable to consider that elements of this corridor will be delivered during the London Plan period, given Network Rail has identified it as a national priority for long term planning purposes and indicated there will be investment in CP6. However, whether all elements can be delivered in the plan period remains unclear.

A14 Capacity Improvements

3.163 The A14 Cambridge to Huntingdon project proposes an upgrade to the existing A14 and includes the widening of the highway in sections, at a cost of between £1.2 and £1.8 billion. Highways England sought development consent from the Secretary of State in 2014 and the DCO was confirmed in May 2016.

3.164 Work on delivering the scheme started in March 2017 and is due for completion in 2020.

Commentary

3.165 As a NSIP, this project is a key part of the of the strategic road element of this corridor and will be delivered early in the London Plan period.

4.0 STRATEGIC INFRASTRUCTURE PRIORITIES: ANALYSIS OF DELIVERY PROSPECTS

i) Introduction

4.1 This section sets out a high-level analysis of the likely timescales for the delivery of the 13 SIPs, based on the information presented in the preceding chapter. Each project has been awarded a 'level of certainty of delivery' based on the following:

- **Policy certainty** – does the project have policy support at the national, regional or local level?
- **Technical certainty** – how far through the design / engineering process has the project progressed?
- **Fiscal certainty** – is the project included within a published investment programme?
- **Timescale certainty** – is the project part of a published programme of works with set timeframes for delivery?
- **Consenting certainty** – does the project have the relevant consents in place or has it commenced the consenting process?

4.2 In assessing the project against each of these factors, we have been cognisant of the anticipated 20-25 year time lifespan for the DLP upon adoption.

ii) Assessment of level of certainty

4.3 Our assessment is broad and based on information set out in this report, including Annex 1 which contains a project-by-project summary and assessment within each SIP. The overall levels of certainty afforded to each project are defined as:

- **High** the project has policy support, confirmed / approved funding, an agreed delivery programme and is advancing through consent / delivery;
- **Medium** the project has either policy support, a confirmed / approved funding stream or an agreed delivery programme, but has yet to commence the formal consenting process;
- **Low** the project has political / policy support but does not have approved funding, a confirmed timescale, or an agreed consenting approach

4.4 The table on the following page sets out our considered views on the level of certainty of each SIP coming forward to assist in the employment and housing growth identified in the DLP.

SIP No.	Wider South East SIP	Sub-Projects	Level of Certainty
1	East-West Rail and Oxford-Cambridge Expressway	*E-W Link Western / Central)*	High
		E-W Link Eastern	Low
		Expressway (M1-M40 and A428)	Medium
		Bicester-Abingdon	Low
2	North Downs Rail Link and extension to Oxford		Low
3	A27/M27/A259 Corridor	A27/M27/A259 road improvements	Medium
		Dover to Southampton Rail Corridor	Low
4	Great Eastern Corridor		Medium
5	West Anglia Corridor and Crossrail 2 North	*West Anglia*	Medium
		Crossrail 2 North	Medium
6	Thames Gateway Essex	*Crossrail 2 East*	Low
7	Thames Gateway Kent	*HS1 and Elizabeth Line extensions*	Low
8	Lower Thames Crossing		Medium to High
9	Brighton Mainline		Medium
10	Southwest Mainline and Crossrail 2 South West including Southern Access to Heathrow	*Southwest mainline*	Low
		Crossrail 2 South West	Medium
		Southern Access to Heathrow	Low? [4]
11	Great Western Mainline and Crossrail South West including Western Access to Heathrow	*Great Western Mainline*	High
		Crossrail South West	Medium
		Western Access to Heathrow	Medium
12	Midlands and West Coast Mainline		High
13	Felixstowe to Midlands	*F2N*	Medium
		A14	High

[4] See SIP 10 analysis – the limited information available for this project mean that is may have greater certainty. We expect that to become clearer when a development consent application for a Third runway at Heathrow Airport is submitted.

4.5 As the table shows, a high level of certainty can only be given to 4 projects in total, and only one of those is a SIP in its own right. This is partly a reflection of how far progressed the projects are and partly a reflection of the Network Rail and Highways England funding cycles.

4.6 The table shows a number of projects with medium certainty. For SIPs 3 and 4 this also reflects the relatively localised nature of the projects compared to other projects such as Crossrail2 Eastern Branch and Southern Access to Heathrow. Other medium certainty projects, however, require the emphasis in Policy SD3 of collaboration and partnership to be delivered including areas of particular growth potential in West Anglia and the South-West where Crossrail 2 plays a significant role.

4.7 If the SIPs that form part of the growth corridors in the DLP are considered, then our analysis suggests that only one project (the electrification of the Great Western Mainline) has a high level of certainty of delivery. We consider that this link should be further considered and suggest targeted collaboration where Opportunity Areas / Growth Corridors link to the wider SIPs, in order to fully realise the benefits of SIPs beyond London.

4.8 The certainty levels of the SIPs that link into the growth corridors in the DLP are shown in the table below, together with anticipated timescales for delivery:

Map key	WSE Strategic Infrastructure Priority	Growth Corridors & Opportunity Areas	Level of Certainty	Anticipated SIP Delivery
2	North Downs Rail Link and extension to Oxford	Highspeed 2 / Thameslink	Low	Not confirmed
4	Great Eastern Corridor	Crossrail 2	Medium	Early 2020
5	West Anglia Corridor	Elizabeth Line East	Medium	2024
	Crossrail 2 North		Low	2030s
6	Thames Gateway Essex	Thames Estuary	Low	Beyond 2041
7	Thames Gateway Kent		Low	2020s-2041
9	Brighton Mainline	Trams Triangle/London-Gatwick-Brighton mainline	Medium	2019-2024
10	Southwest Mainline	Crossrail 2	Low	2019-2024
	Crossrail 2 South West		Medium	2030s
	Southern Access to Heathrow		Low	No timetable available
11	Great Western Mainline	Heathrow/Elizabeth Line West	High	2018-2019
	Crossrail South West		*Low*	2030s
	Western Access to Heathrow		*Medium*	No timetable available

5.0 SUMMARY AND CONCLUSIONS

5.1 The DLP identifies a number of growth corridors within its boundaries, along with the thirteen SIPs for the WSE. The Mayor proposes to work with 'willing partners' to explore the potential to accommodate growth in sustainable locations focusing on public transport connections to realise local and strategic benefits. Having identified broad corridors, the planning for, and delivery of, infrastructure to achieve those objectives will have a bearing on the delivery of the London Plan and development plans in the WSE.

5.2 This report has looked at the DLP opportunity areas and the SIPs and assessed the level of certainty of delivery that can be afforded to each. With infrastructure projects of the scale proposed, it is not possible to be definitive on delivery as there are multiple influencing factors. As such, the report identifies those that, based on current information, appear to have the highest likelihood of coming forward. These are then considered against the areas in the WSE where the greatest future pressure for new homes is likely to be experienced.

5.3 The conclusions drawn from this assessment, and the resultant suggested amendments to the DLP, are as follows:

- The SIPs are more complex than they appear, often include a number of strategic projects, have inter-dependent relationships where the delivery of projects in one SIP may benefit another, and in some cases, have close relationships with the opportunity areas and growth corridors identified in the DLP.
- National policy has a key role to play in delivery whether through the National Policy Statements or the recommendations of the National Infrastructure Commission, whose stance on the risks of not delivering infrastructure such as the Oxford to Cambridge Expressway is forthright.
- There are few projects with a high certainty of delivery, and those with medium certainty are dependent on government funding decisions either directly (Crossrail 2) or through Highways England's Road Investment Strategy or Network Rail's Control Period funding. Those with low certainty are often ambitions of local authorities and London Boroughs, but where there has been collaboration to make the strategic case.
- The thrust of Policy SD3, that the Mayor will collaborate with willing partners beyond London, carries perhaps more significance in the delivery of the SIPs than the current wording suggests. The Mayor has the opportunity to provide the evidence base for decisions on NSIPs, to engage directly in examinations carried out on behalf of the Secretary of State, and to inform wider development plans.

- The relationships between the DLP Opportunity Areas and Growth Corridors and related SIPs needs to be addressed as part of any collaborative work under Policy SD3.

5.4 Therefore, the engagement of the Mayor in the development, consenting and funding of projects beyond London and within the SIPs will, in our view, have a bearing on their deliverability. The corridors that have been assessed as having ‘medium’ certainty of delivery, are significant in terms of the support they provide to growth, and which therefore require more explicit identification in the DLP are as follows:

- SIP 1 East-West, including the Oxford – Cambridge Expressway
- SIP 4 Great Eastern
- SIP 5 West Anglia Corridor, including Crossrail 2 North
- SIP 8 Lower Thames Crossing
- SIP 9 Brighton Mainline
- SIP 10 South West Mainline including Southern Access to Heathrow
- SIP 11 Great Western Mainline including Western Access to Heathrow
- SIP 12 Felixstowe to Nuneaton, in particular the F2N Freight Corridor

5.5 The project analysis shows that Highways England and Network Rail as investment and delivery bodies are critical organisations for the Mayor to engage with in terms of business planning, consent applications and implementation. The interface between Highways England, Network Rail, and Transport for London is also critical to delivery of projects in each SIP, and to the relationship between SIPs in the WSE and the Growth Corridors within London. Policy SD3 should be strengthened to identify the specific organisations (or ‘willing partners’) who have responsibility for delivery for projects in each SIP and in setting out how The Mayor, the GLA and Transport for London will engage with them.

5.6 Furthermore, the Mayor has the potential to be involved in the consenting processes for the SIPs, and can provide evidence to decision makers, particularly for those projects requiring planning permission or development consent. The London Plan should be more specific about the Mayor’s commitments to delivery through the contribution of evidence to consenting decisions, particularly given that the evidence base is likely to evolve over the lifetime of the London Plan.

5.7 Finally, each infrastructure corridor involves different London Boroughs, Local Authorities and Local Economic Partnerships, and the analysis indicates that there are potentially different technical solutions and investment preferences within each corridor. Policy SD3 refers to "willing partners" without specifying who they are. It also fails to identify if any SIPs may have partners who do not fall into the "willing" category. Without measures to ensure that all partners are willing, the delivery of these corridors remains uncertain. Therefore, an understanding of who the "willing partners" are, and what the options, barriers and opportunities are within each corridor must be addressed in the London Plan if a meaningful contribution is to be made to the delivery of the SIPs. In our view, the London Plan needs stronger commitments in policy to address this.

5.8 As we've shown in our assessment report on Housing Needs, the DLP is considered to be unsound on the basis that it both fails to adequately provide for the City's housing needs and also fails to account for any need that cannot be met within its boundaries. Delivery of the SIPs is critical to the Plan as drafted, and more so in light of the London Housing Needs report, given no alternative or contingency for unmet need has been considered. A failure to plan for alternative scenarios, a reliance on SIPs to support the WSE when not all SIPs are likely to be delivered in the Plan period, and a policy that has limited effect in the WSE means the Plan is unsound.

5.9 We recommend that Policy SD3 is revised to focus on what is achievable with willing partners in London and in the WSE, and on working with others who are critical to SIP delivery but not yet willing partners. Our suggested revised policy wording is set out below:

A. The Mayor and his agencies will work with Highways England, Network Rail and willing WSE partners to plan, secure funding and consent for, and deliver projects in the following SIPs:

- *SIP 1 East-West, including the Oxford – Cambridge Expressway*
- *SIP 4 Great Eastern*
- *SIP 5 West Anglia Corridor, including Crossrail 2 North*
- *SIP 8 Lower Thames Crossing*
- *SIP 9 Brighton Mainline*
- *SIP 10 South West Mainline including Southern Access to Heathrow*
- *SIP 11 Great Western Mainline including Western Access to Heathrow*
- *SIP 12 Felixstowe to Nuneaton, in particular the F2N Freight Corridor*

B For the remaining SIPs, the Mayor and his agencies will engage with all partners relevant to the planning, funding, consenting and delivery of projects in the SIPs and work to ensure delivery of all SIPs.

C The Mayor will prepare and provide relevant evidence in support of development plans and consenting decisions in the WSE, relevant to identified projects in each SIP. London Boroughs should incorporate similar commitments in their development plans including safeguarding routes and planning policies to facilitate delivery.

5.10 We recommend that the supporting text includes reference to the following:

- A table to identify all delivery partners relevant to each SIP.
- A published regular review of the likelihood of project delivery in each SIP;
- Commitment to the involvement of the Mayor in the consenting process for SIP projects in the WSE;
- Commitment to make representations to Highways England and Network Rail business planning and investment stages.
- Explanation of how the interface between TfL, Highways England and Network Rail will help implement revised policy SD3.

5.11 Overall, whilst we don't expect all SIPs to be delivered in the Plan period, these are key priorities that will unlock growth opportunities for the WSE which require the Mayor's on-going engagement and commitment along with identified partners. If the Plan is to be sound, policy SD3 needs to be deliverable. Therefore, we recommend that Policy SD3, the evidence base behind it, and the mechanisms to implement it, are all strengthened to enable the growth potential in London and the WSE to be realised.

ANNEX 1 -SUMMARY OF PROJECT DELIVERABILITY

Map key	Strategic Infrastructure Priority	Development stage	Political support	Technical work	Funding	Timeframe
1	**East – West Rail Link** Western Phase 1	Complete	Regional and National Department for Transport Local Authority Consortium	Complete	Complete	Complete
	East – West Rail Link Western Phase 2	Preferred option consultation	Regional and National Department for Transport Local Authority Consortium	Options complete	Allocated	2024
	East – West Rail Link Central	Route options consultation	Regional Local Authority Consortium	Broad options evaluation complete	Not allocated Target Control Period 6[5]	Early 2030s
	East – West Rail Link Eastern	Initial stages	Regional Local Authority Consortium	Currently underway	Not allocated	No timescale
	East - West Oxford to Cambridge Expressway A428 Black Cat to Caxton Gibbet	Development Consent pre-application	National Department for Transport	Survey work complete	Allocated in Road Investment Strategy 1[6]	Construction in 2020.
	East - West Oxford to Cambridge Expressway M1-M40	Route options	National Department for Transport National Infrastructure Commission	Strategic study complete	Autumn 2017 Budget commitment	Target 2030s delivery
	East - West Oxford to Cambridge Expressway Bicester to Abingdon	Concept	National Department for Transport	Strategic study complete	Not yet allocated	No timetable
2	**North Downs Rail Link**	Part implemented, part detailed concept	Local and regional	Strategic assessment complete	Partial funding Control Period 5 Majority funding not allocated – Target Control Period 6	No confirmed timetable
3	**A27 / M27 / A259** A27 Arundel Bypass	Development Consent pre-application	National Department for Transport	Options assessment complete	Allocated in Road Investment Strategy 1	Construction 2020
	A27 / M27 / A259 A27 Worthing and Lancing Improvements	Development Consent pre-application	National	Options assessment complete	Allocated in Road	Construction 2020

[5] Network Rail Funding Cycle is known as a Control Period (CP). CP5 is 2014-2019, CP6 is 2019-2024 and not yet announced. Information taken from latest annual CP update 2017.
[6] Highways England Funding Cycle is known as the Road Investment Strategy (RIS). RIS 1 covers 2015-2020. RIS 2 covers 2020-2025 and not yet announced.

Map key	Strategic Infrastructure Priority	Development stage	Political support	Technical work	Funding	Timeframe
			Department for Transport		Investment Strategy 1	
	A27 / M27 / A259 A27 East of Lewes	Preferred Option consultation	National Department for Transport	Options assessment complete	Allocated in Road Investment Strategy 1	Construction 2020; open 2022
	A27 / M27 / A259 M27 Junctions 4 to 11: Smart Motorways	Post technical Public Information Events	National Department for Transport	Technical work complete	Allocated in Road Investment Strategy 1	Works expected to start 2018
	A27 / M27 / A259 A259 Improvements	Detailed design and land acquisition	Local	On-going	Combination of Local Authority, Local Enterprise Partnership and developer contributions	Works expected to start late spring / summer 2018.
	Dover to Southampton Rail Corridor	No publicly available information	Regional Wider South East	No publicly available information	No publicly available information	No publicly available information
4	**Great Eastern Corridor** A12-A120	Development Consent pre-application	National Department for Transport	Options assessment complete	Allocated in Road Investment Strategy 1	Construction 2020
5	**West Anglia Corridor and Crossrail 2 North** West Anglia Corridor	Part implemented; part detailed concept	National; regional; local Cross-party Taskforce	Some station improvements implemented;	Target Control Period 6	2024 target
5	**West Anglia Corridor and Crossrail 2 North** Crossrail 2 North	Route identified, awaiting government funding review	National; regional; local Cross-government department Mayor of London	Assessment and technical work ongoing	Government decision expected Autumn 2018	Construction 2020s, open 2030s
6	**Thames Gateway Essex** Crossrail 2 Eastern Branch	Concept	Regional Essex County Council and East London Borough	Regional strategic study complete[7]	Not assessed or identified	No timetable Mayor of London identifies feasibility study in 2030s-2041
7	**Thames Gateway Kent** Crossrail 1 Extension East	Concept	Regional	Land safeguarding direction issued by Secretary of State	No funding allocated	Mayor of London identifies 2020s-2041
7	**Thames Gateway Kent** High Speed 1 Extension	Concept	Regional Kent and Sussex Local Authorities		No funding allocated	No timetable
8	**Lower Thames Crossing**	Development Consent pre-application	National and Regional Department for Transport	Assessment work complete up to Environmental Scoping for preferred option	Road Investment Strategy 1 for development consent application	Development consent application summer 2019.

[7] Commissioned jointly by East London boroughs and Essex County Council.

Map key	Strategic Infrastructure Priority	Development stage	Political support	Technical work	Funding	Timeframe
			National Infrastructure Commission Mayor of London			If consented, early 2020s construction
9	**Brighton Mainline**	Part implemented, part detailed concept	National regional and local Department for Transport Mayor of London	DfT technical options work complete	Target Control Period 6	2019-2024 if funding agreed.
10	**Southwest Mainline** Southwest Mainline	Strategic business case	Local Surrey County Council	Not available	Decision expected Control Period 6	2019-2024
	Southwest Mainline Crossrail 2 South West	Route identified, awaiting government funding review	National; regional; local Cross-government department Mayor of London	Assessment and technical work ongoing	Government decision expected Autumn 2018	Construction 2020s, open 2030s
	Southwest Mainline Southern Access to Heathrow	Concept	National	Strategic concept	Private funding – not confirmed	No timetable
11	**Great Western Mainline** Great Western Mainline	Implementation	National	Complete	Control Period 5 Allocated	Construction in latter stages
	Great Western Mainline Crossrail South West	Route identified, awaiting government funding review	National; regional; local Cross-government department Mayor of London	Assessment and technical work ongoing	Govt. decision expected Autumn 2018	Construction 2020s, open 2030s
	Great Western Mainline Western Rail Link to Heathrow	Development consent pre-application	National	Assessment work on-going ahead of statutory consultation	Allocated in Control Period 5; draft National Policy for Heathrow funding contribution	No confirmed timetable
12	**Midlands and West Coast Mainline**	Part implementation, part planned	National	Complete	Anticipated in Control Period 6	Completion
13	**Felixstowe to Nuneaton** Felixstowe to Nuneaton Rail (F2N)	Strategic business case	National	Complete for Network Rail long term planning	Anticipated in Control Period 6	No timetable
	Felixstowe to Nuneaton A14 Capacity Improvements	Implementation	National	Complete	Allocated in Road Investment Strategy 1	Completion 2020

ANNEX 2 - ABBREVIATIONS

CP	Control Period - Network Rail's 5-year funding period.
CP4	Control Period 4 – 2009-2014
CP5	Control Period 5 – 2014 to 2019
CP6	Control Period 6 – 2019-2024
DLP	Draft London Plan
NNNPS	National Networks National Policy Statement – Department for Transport's policies for relevant Nationally Significant Infrastructure Projects.
RIS	Road Investment Strategy - Highways England's 5-year funding period
RIS 1	Road Investment Strategy 1 - 2015-2020
RIS 2	Road Investment Strategy 2 – 2020-2025
SIP	Strategic Infrastructure Priority - Broad infrastructure corridors identified by the Wider South East

Appendix 3

Presentation slides from GLA's Assistant Director for Planning: 'London's growth - do we need a regional plan?' (March 2015)

NLA London Planning Summit

London’s growth: Do we need a regional plan?

20 March 2015

Stewart Murray
Assistant Director – Planning
Email: stewart.murray@london.gov.uk;

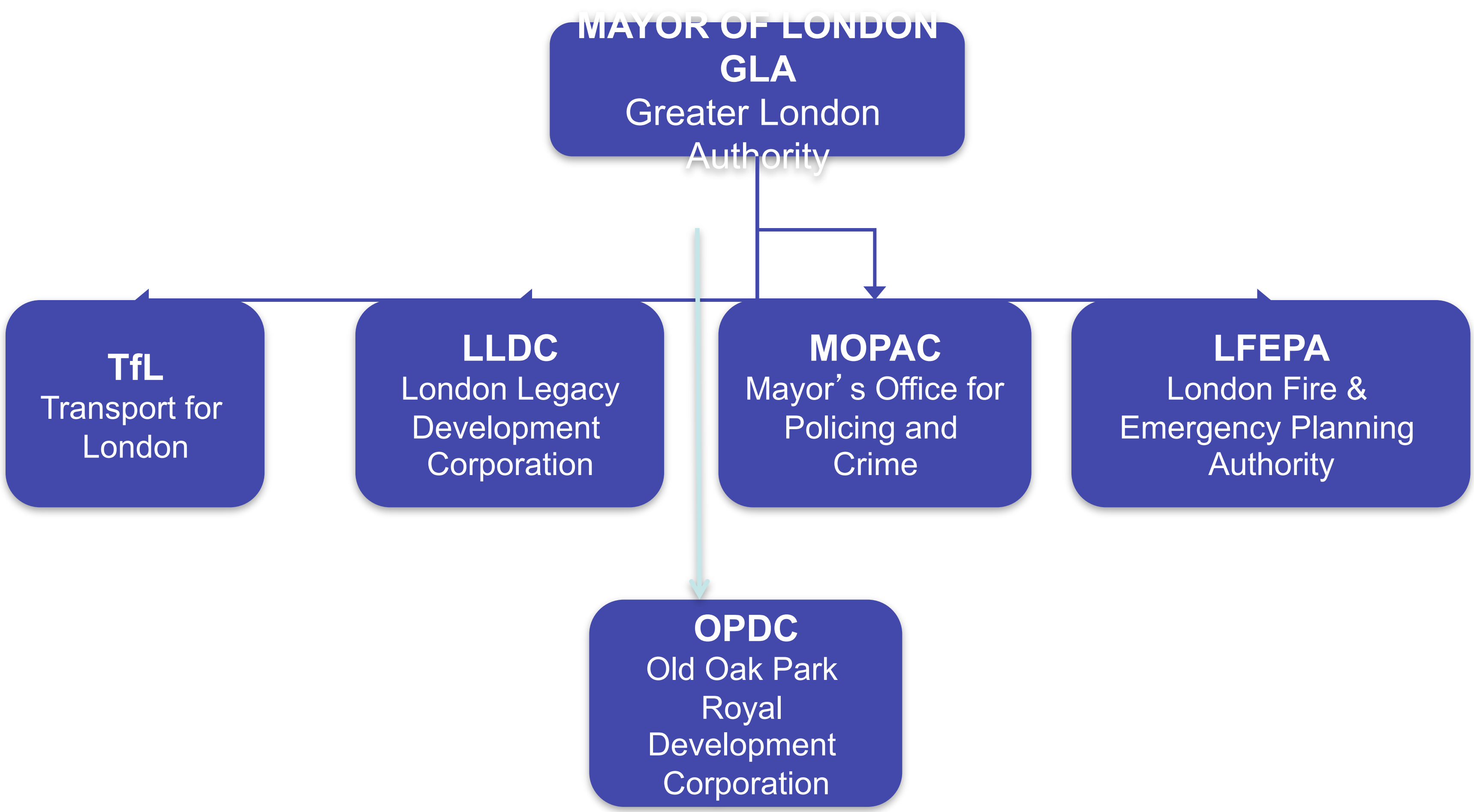
GREATERLONDONAUTHORITY

NLA – key lines of enquiry.......

1. London's predicted development needs – population growth
2. Mayor/GLA – planning growth where and how?
3. Challenges:
   (i) absorb growth within existing boundaries
   (ii) Green Belt protected
   (iii) fear of growth beyond M25?
   (iv) delivering infrastructure before housing arrives

4. Impact of migration/movement across the South East
5. Coordination with the Wider South East?
6. Existing planning mechanisms....duty to cooperate?
7. Post-Election: More Localism or a bigger plan?

MAYOR & THE GLA GROUP



Planners History Check!

- **1939** – London's population at its peak: 8.6 million (just passed that last month)
- **70 Years ago:** Metropolitan Green Belt concept created – halting "sprawl"
- **Post-war:** Abercrombie Plan decentralisation of London's population
- **1960s** New Town Corporations - Milton Keynes & others are born!
- **1980's** London's population drops to 6.8m, riots & LDDC created
- **Late 1990's:** Urban Task Force: population in cities growing again
- **2000's:** Sustainable Communities Plan and Growth Areas
- **2010/11:** Localism Act and abolition of Regional Spatial Strategies
- **2012:** Census under-estimated population growth massively whilst migration rapidly increased

Further Alterations To The Mayor's London Plan

(Published 10 March 2015)

London Infrastructure Delivery Plan 2050

(March 2015) investments needed

Brandon Lewis MP
Minister for Housing and Planning

"We have no intention of reviving SERPLAN from the dead!"

***Source:** Minister's letter to the Mayor of London

Re: FALP 27 January 2015

Regional Summit
19th March 2015

Towards more effective arrangements for coordinating strategic policy and investment across the wider SE

SOUTH EAST ENGLAND COUNCILS
COUNCILS IN PARTNERSHIP

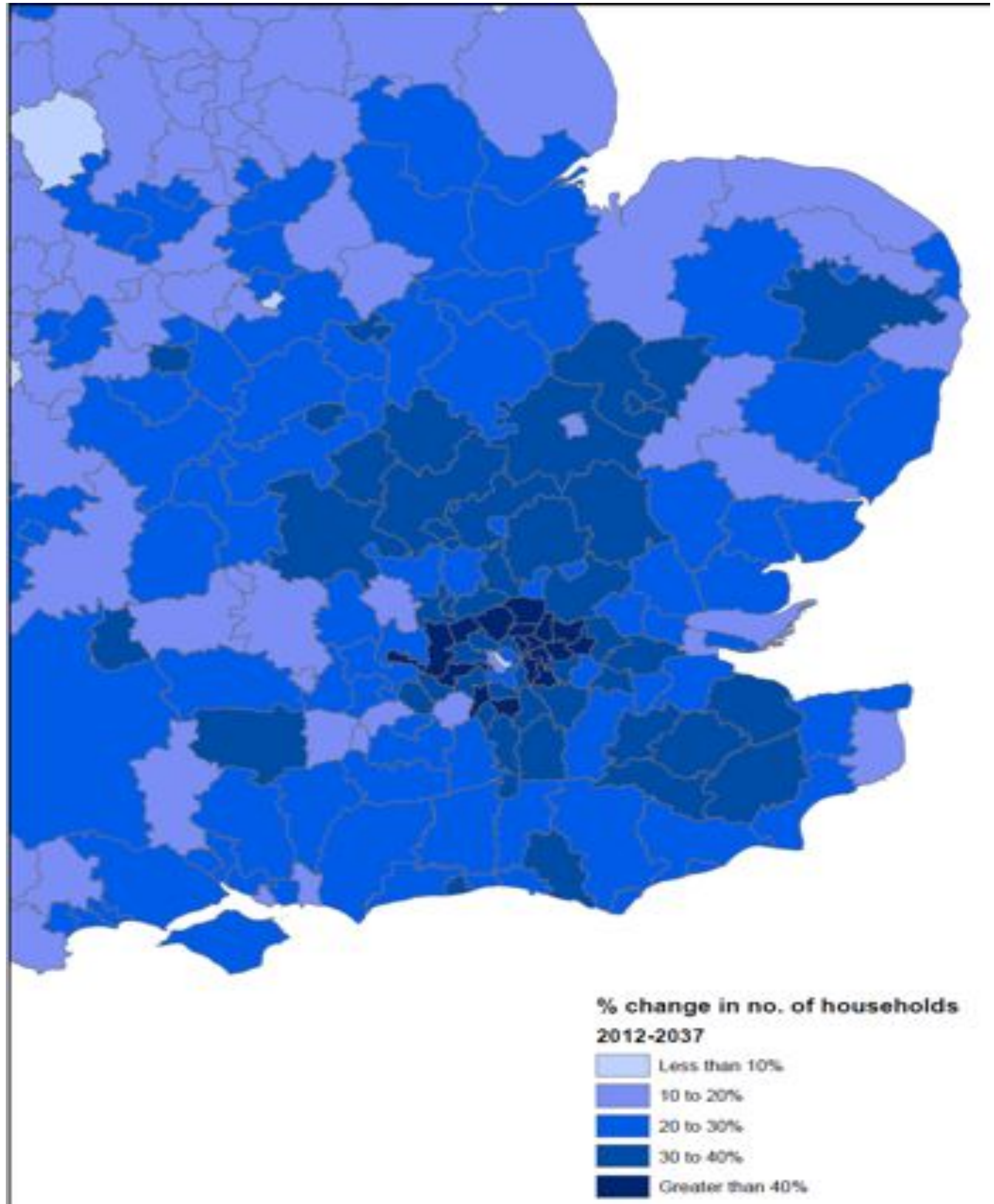
MAYOR OF LONDON

East of England

Regional issues: people and housing

Latest CLG household growth for:

- London
- South East
- East of England



Regional issues: people and housing

CLG household projections 2012-37:

•East 26,000 pa

•South East 37,000 pa

•London 53,000 pa

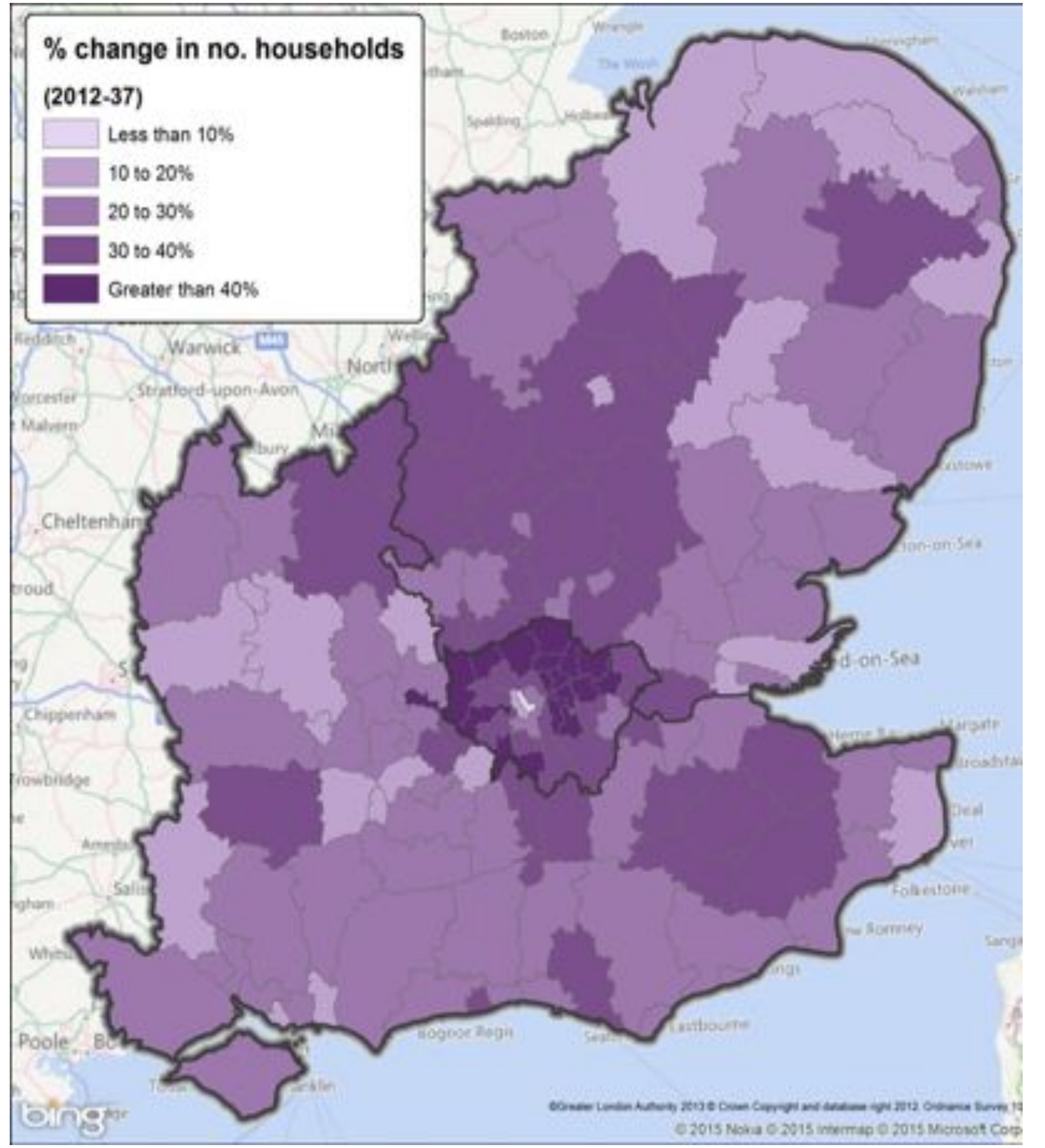
New London Plan designed to meet need:

•Realistic: 58,000 approvals pa

Common issues:

•translating approvals to completions

•long term population uncertain



Other regional issues include:

- Local & broader economies e.g. jobs 2009-14
- East 18,000pa
- South East 36,000 pa
- London 107,000 pa
- Together c50% national GDP
- How to realise local opportunities through strategic action?

PLUS

- Environment
- Transport
- Other Infrastructure

Towards a more effective regional coordination structure

Objectives:

•Better understanding of common issues

•More effective engagement in strategic policy eg London Plan review

•More effective engagement on strategic infrastructure

Key considerations:

- What area should be covered?
- What should be the membership?
- How should contributions be made?
- How should it be administered?
- Building on existing arrangements?
- Short term and longer term structures?
- What should it be called?

Options for getting there….

Wider SE
Commission/Panel

- Events around the quadrants of the SE
- Panel of local members and independents

Wider SE
'Roundtables'

- Members based round tables
- Independent facilitators
- London based

Wider SE
Officer group

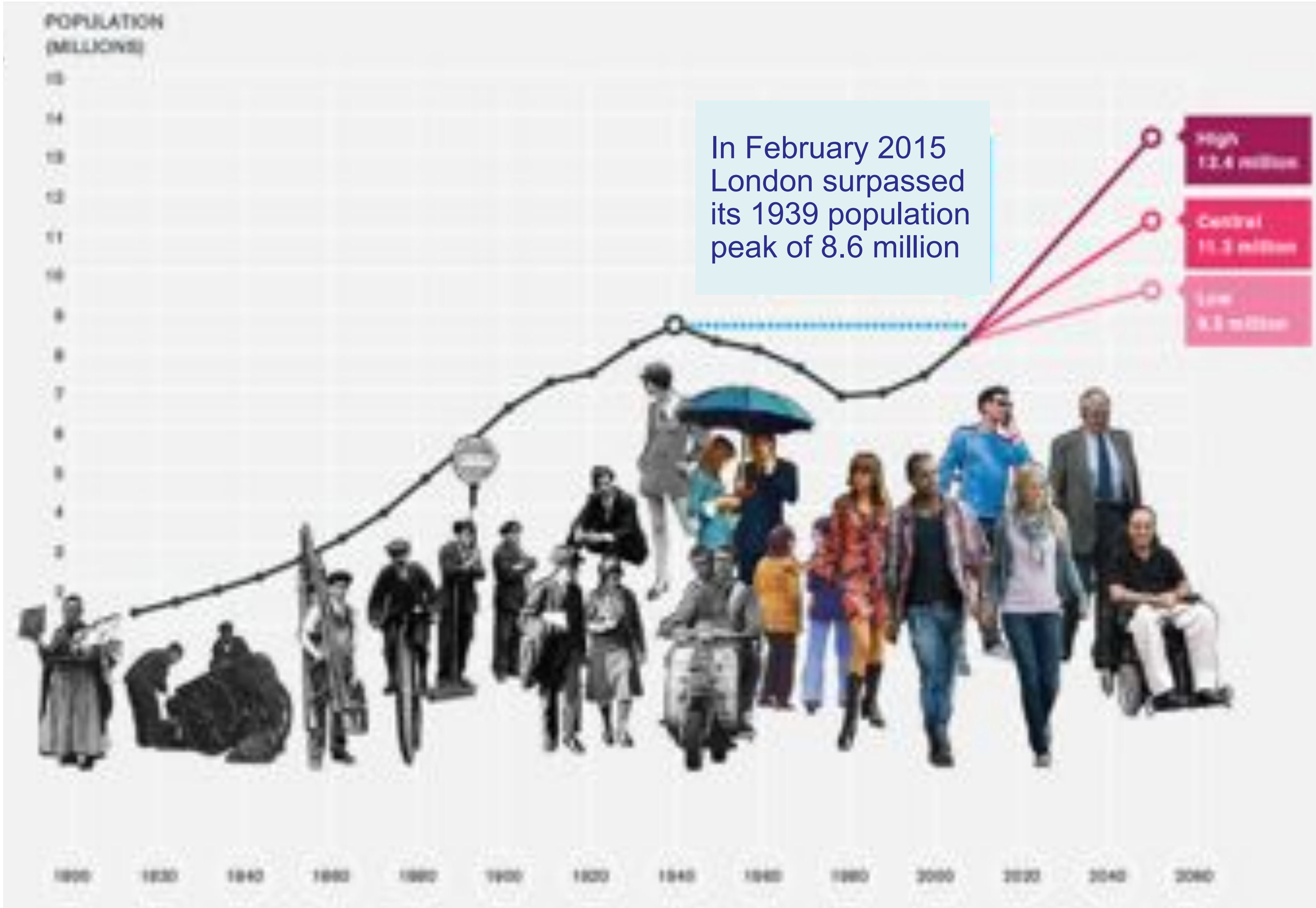
- Officers develop 19.3.15 views/options
- Political steering group

Wider SE
Commission/Panel

Regional summit

Towards more effective arrangements for strategic policy and investment across the wider SE

LONDON'S POPULATION: GROWING RAPIDLY!
FORECASTS…



Our common demographic challenge

- London population 2001 (revised):7.34 mll
- London population 2011 (Census):8.17 mll

  = 83,000 pa increase

BUT

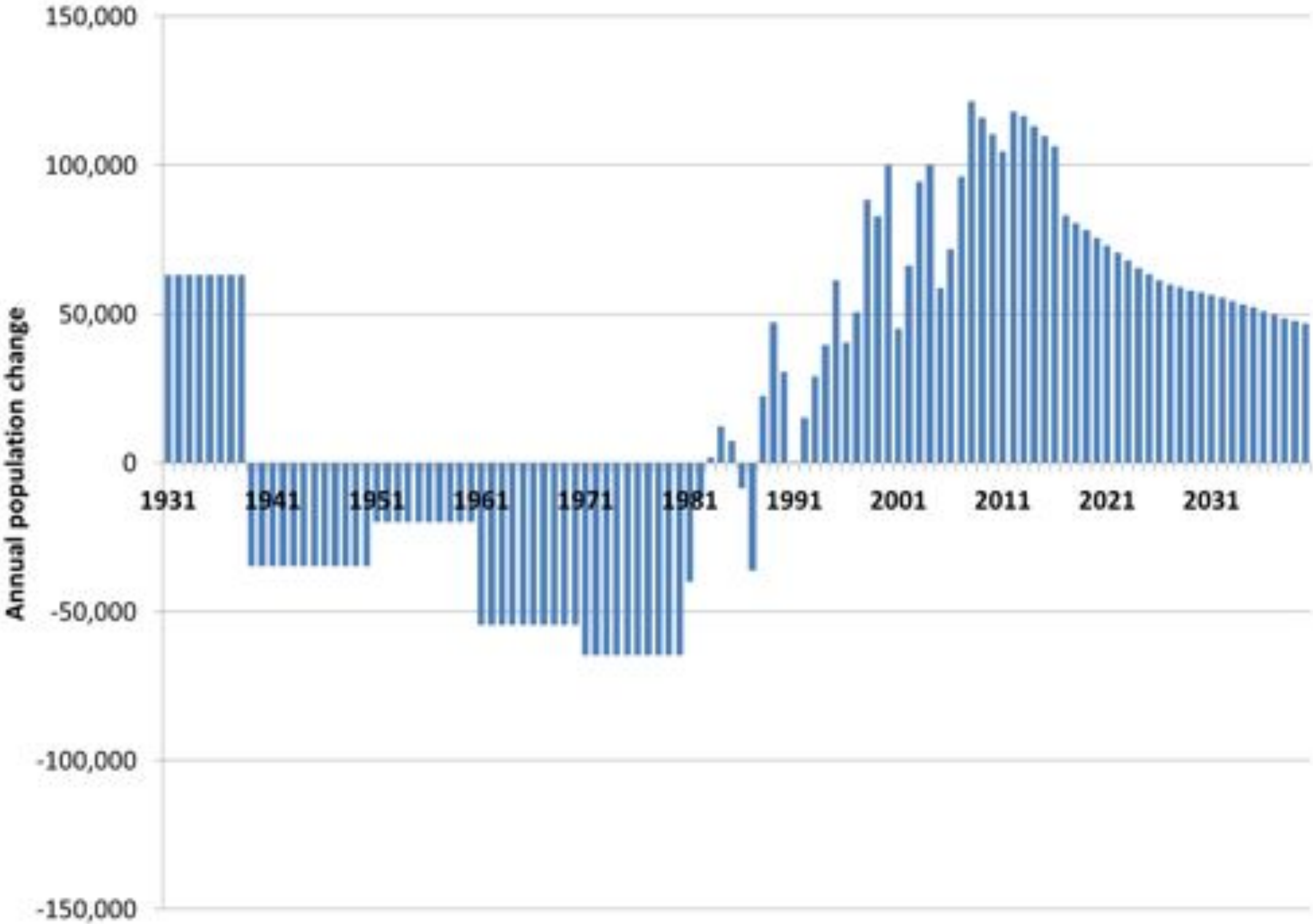
- London Plan 2011 – 2031 assumes 51,000pa

AND

- new GLA trend projection 2011 – 2036 suggests 76,000 pa, and over 100k in earlier years….

London annualised population change:

Question: will 76k pa continue?



What do these trends mean for London's housing requirements?

- CLG: predicts c53,000 more households pa to 2021 (cf 34k)

- Is this a realistic basis for strategic planning?
- Outdated household formation rates; what happens if recent changes are cyclical/short term?
- Accept "planning for uncertainty" – central theme for FALP and LHS
- New SHMA: ranges around GLA central h/hld projection (40k); backlog of need (10 or 20 yrs)
- Other factors e.g. second homes = 49k - 62k pa
- House Price trends – upwards or moderation?

London Plan: housing response:
bridging the demand/supply ‘gap’

- NPPF compliant, needs driven, higher density SHLAA
  = 42k pa supply (cf 2011 Plan 32k pa)

- Still leaves a ‘gap’: (49k pa demand) – (42k pa supply) = 7k pa

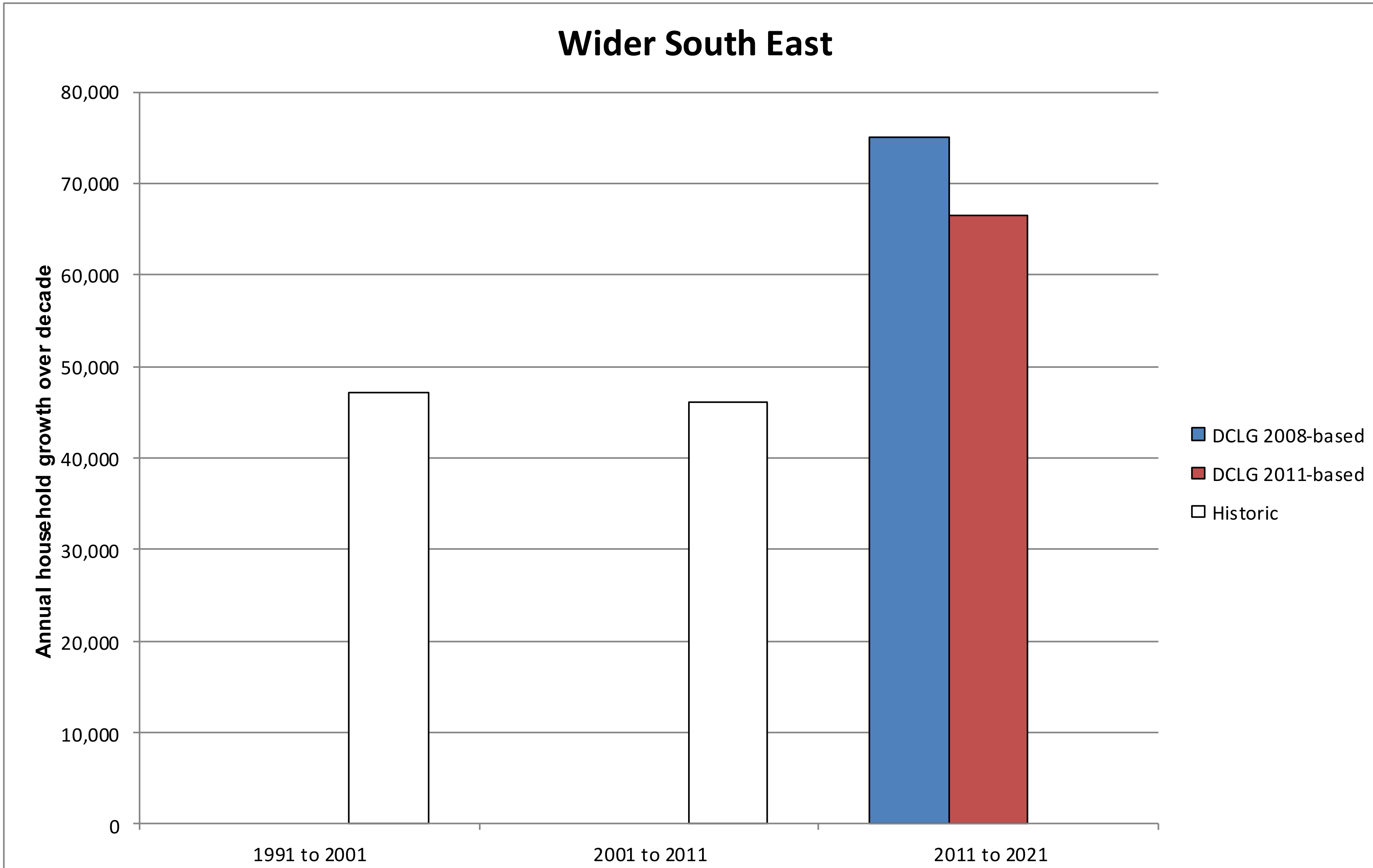
- Bridging the gap <u>within</u> London: additional higher densities in:
  - Opportunity/Intensification Areas – 38 (+5 since 2011)
  - Mixed use, housing led, town centre redevelopment (higher densities)
  - Surplus industrial land release around transport nodes (SIL)

- Capacity to completions: the need for realism
  - 216,000 units pipeline planning permission
  - 58,000 approvals pa but
  - only 25k pa completions in London last year (50% of need)

- Equivalent to 4.4 years supply (+ ‘potential’ sites + higher densities in NPPF ‘broad locations’) = at least 5years supply

The recession reduced London out-migration:

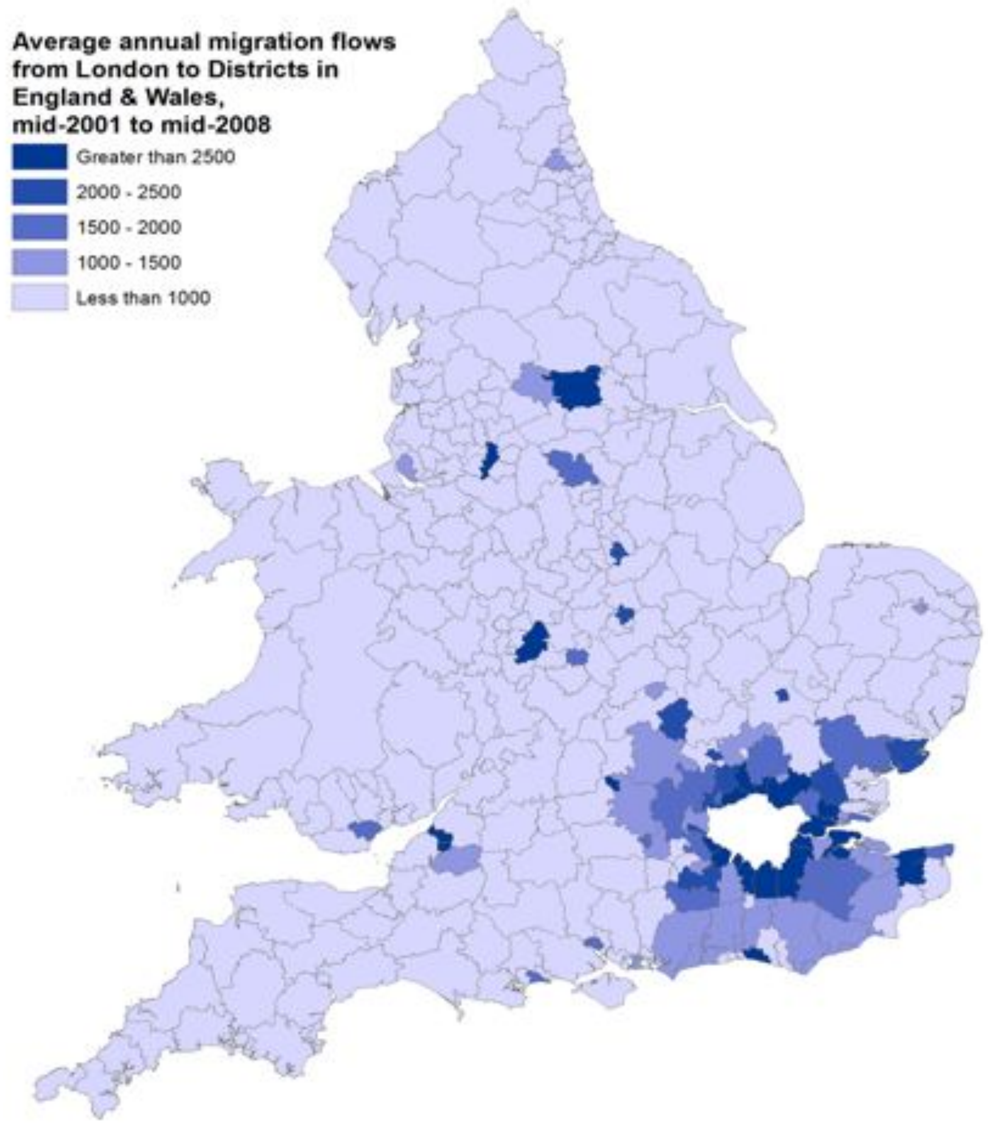
What might this mean for wider SE housing demand?



Pre-recession net outmigration 70k-100k pa
recession 30k; now up to +50k again:
possible implications for housing demand & supply

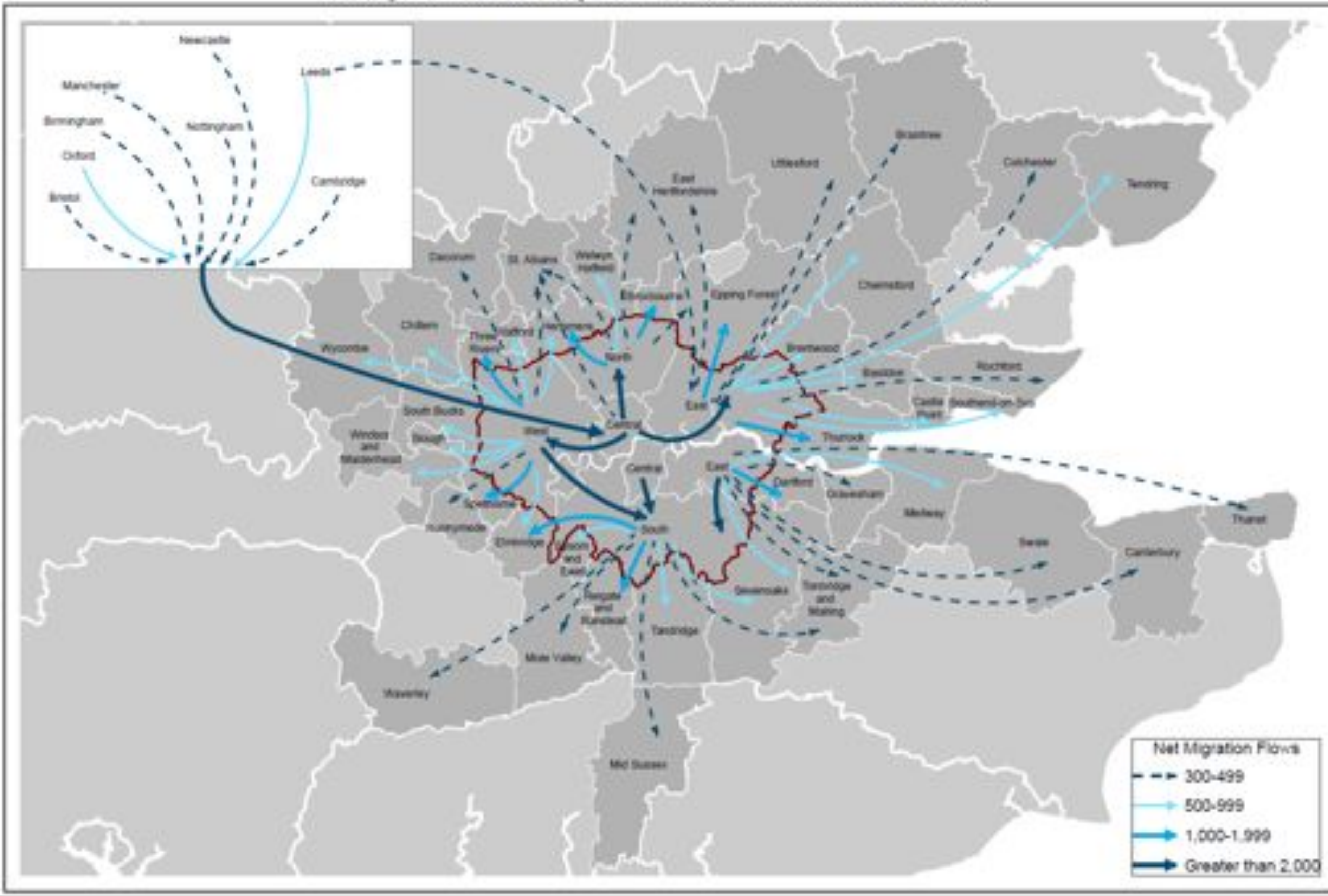
	London	South East	East
Supply (average completions 2004 – 11 pa)	24,300	29,600	21,300
Demand i (CLG 2008 hhlds pa)	37,900 ‘gap’ : -13,600	41,100 ‘gap’ : -11,500	33,900 ‘gap’ : -12,600
Demand ii (CLG 2011 hhlds pa)	52,600 ‘gap’ : -28,300	38,400 ‘gap’ : -8,800	28,100 ‘gap’ : -6,800

What might pre-recession migration mean locally?

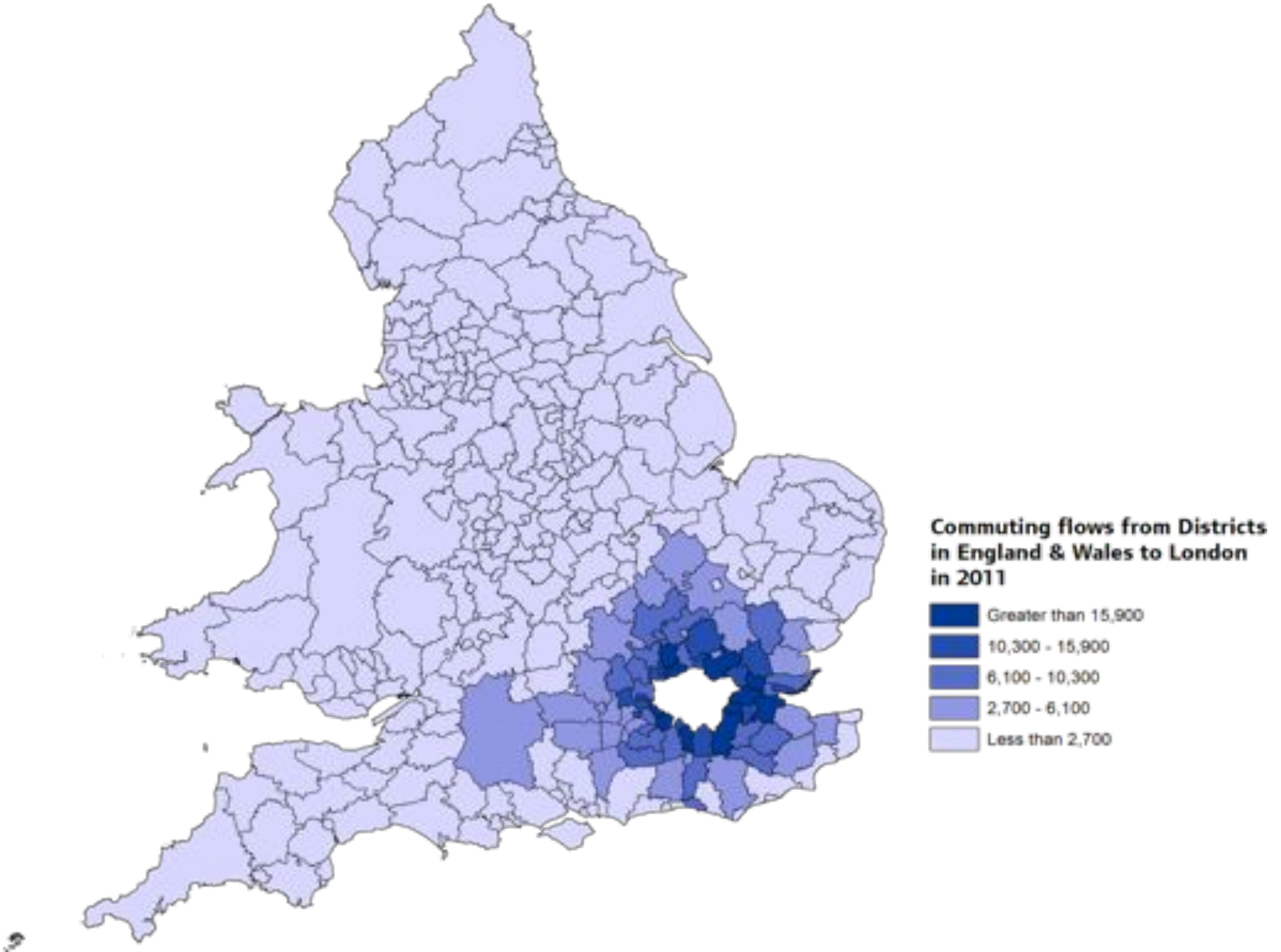


Average annual net migration flows (mid-2009 to mid-2013)

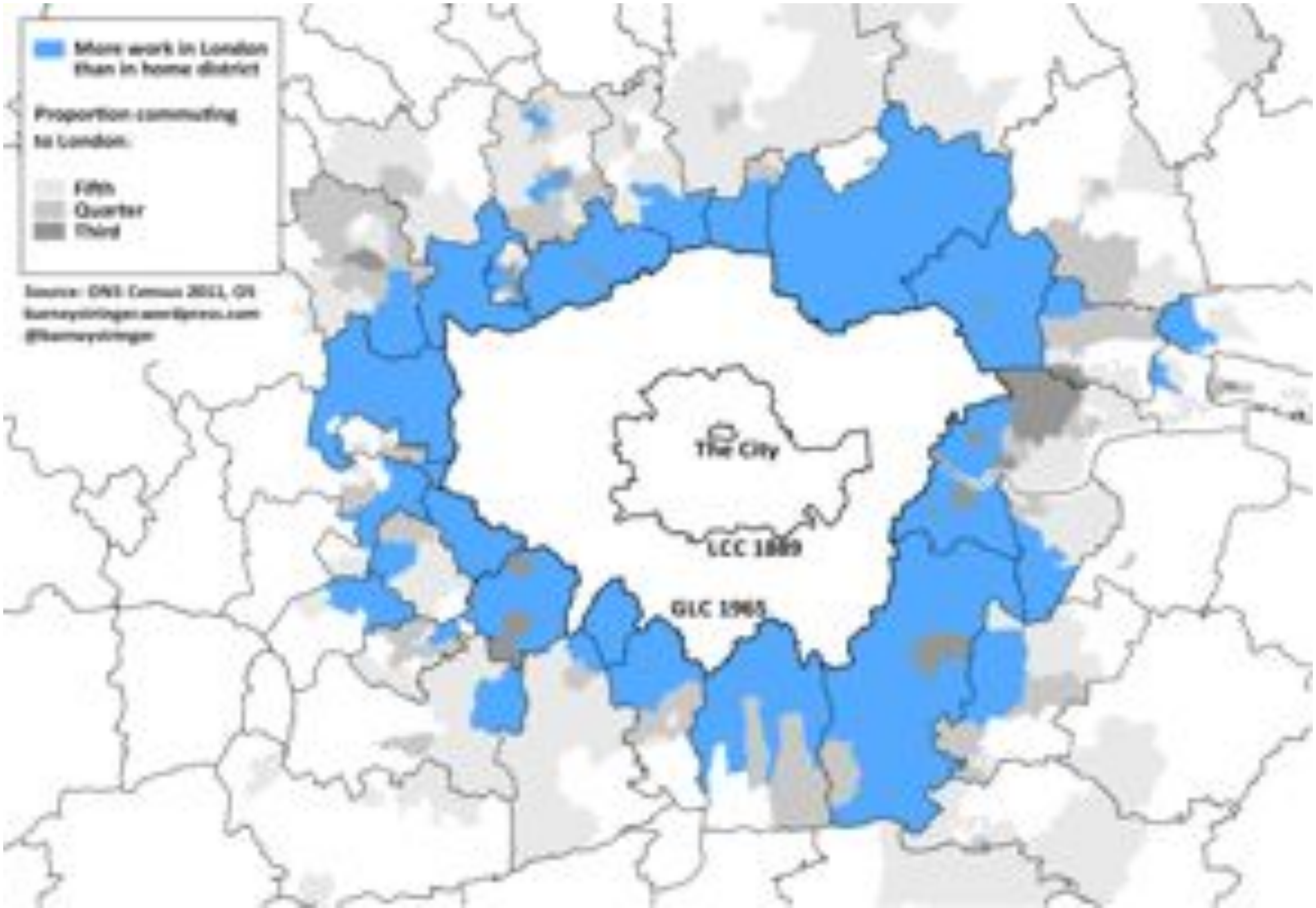
Average annual net migration flows (mid-2009 to mid-2013)



What do commuter trends mean locally?

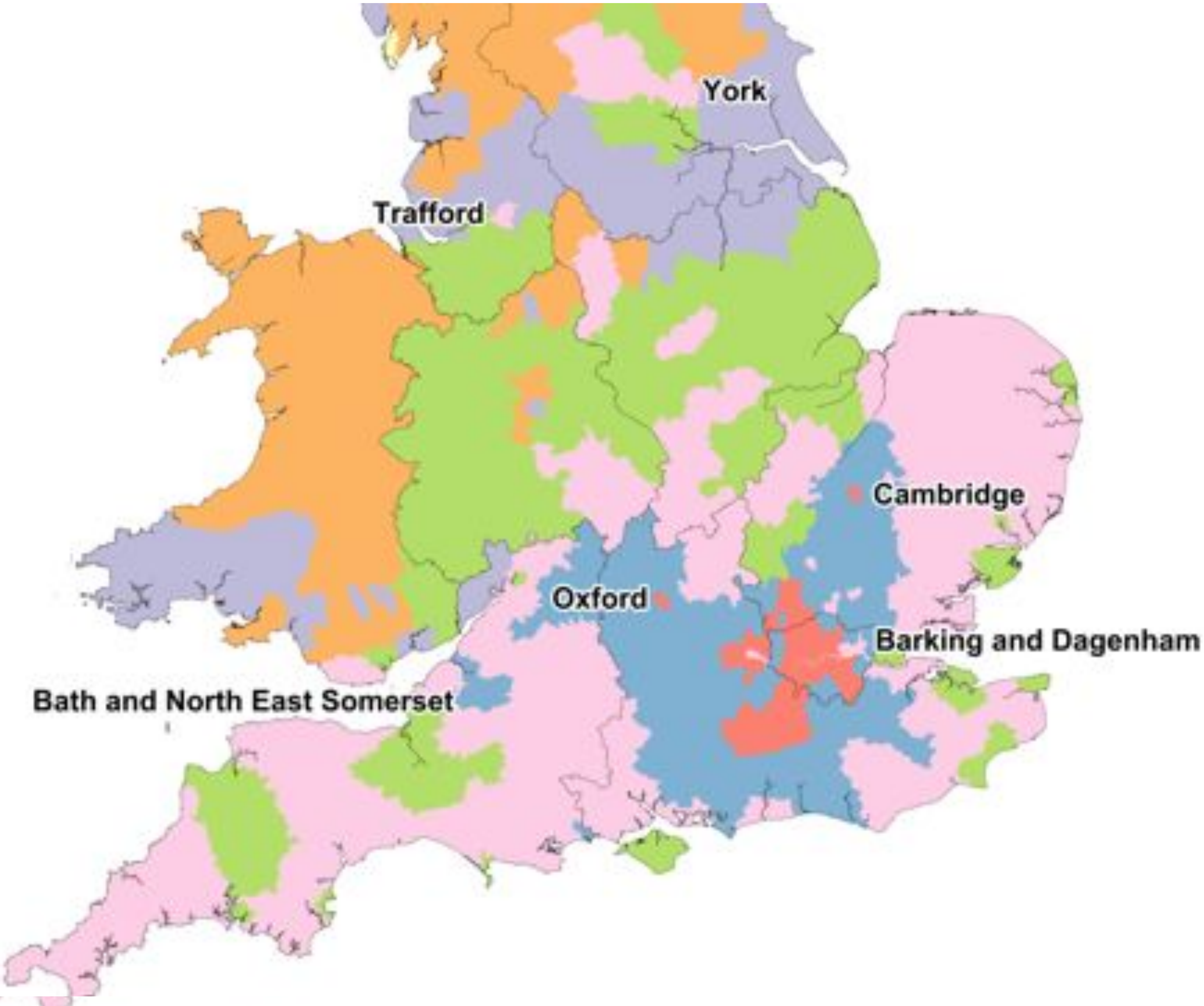


What is the immediate impact of commuting on local economies?



So what is the form of the regional HMA?

[Savills most correlated local authorities x house price growth]



Key RoSE concerns over FALP

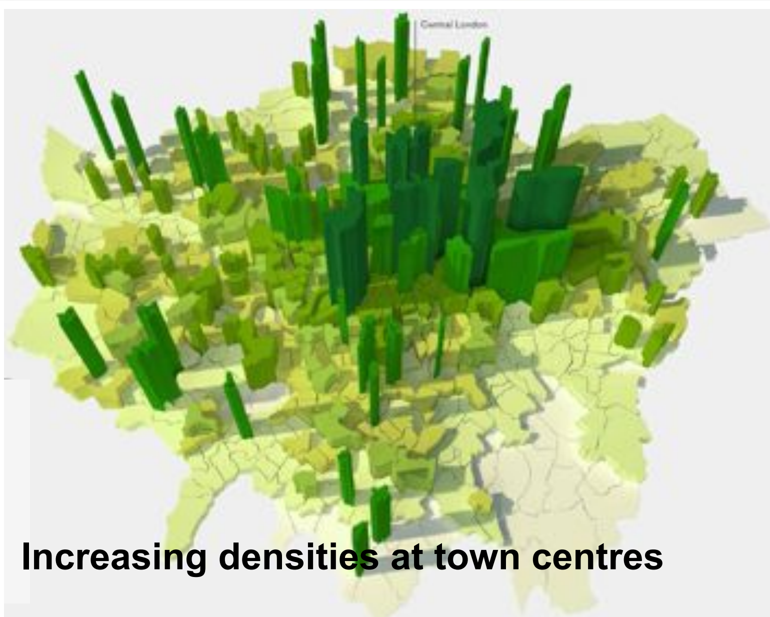
- London isn't meeting its housing and affordable housing needs
- London hasn't done a Green Belt review
- FALP doesn't plan for adequate infrastructure across London/Wider SE
- The Mayor should be bound by the Duty to Cooperate
- Uncertainty in London planning makes planning outside London uncertain
- Better understanding of common issues

<u>More effective engagement in the next London Plan review …..</u>

Spatial scenarios: to meet London's need

Assuming current policies continue

Increasing densities in locations with good public access

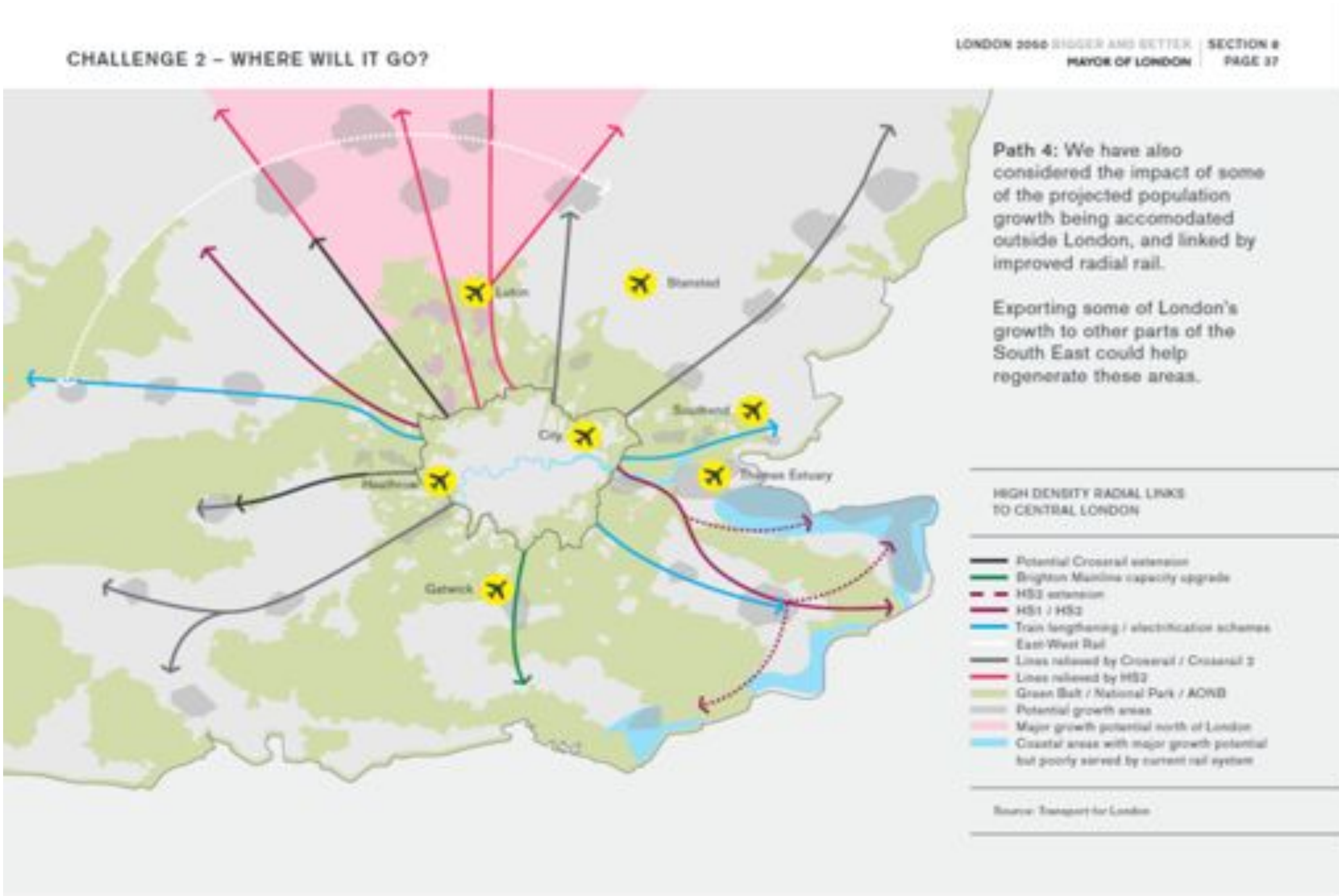


Increasing densities at town centres

Accommodating some population outside London (no encroachment on Green Belt)

Possible new London Plan scenarios

Accommodating some growth beyond London: 2050 rail based scenario



Possible new London Plan scenarios

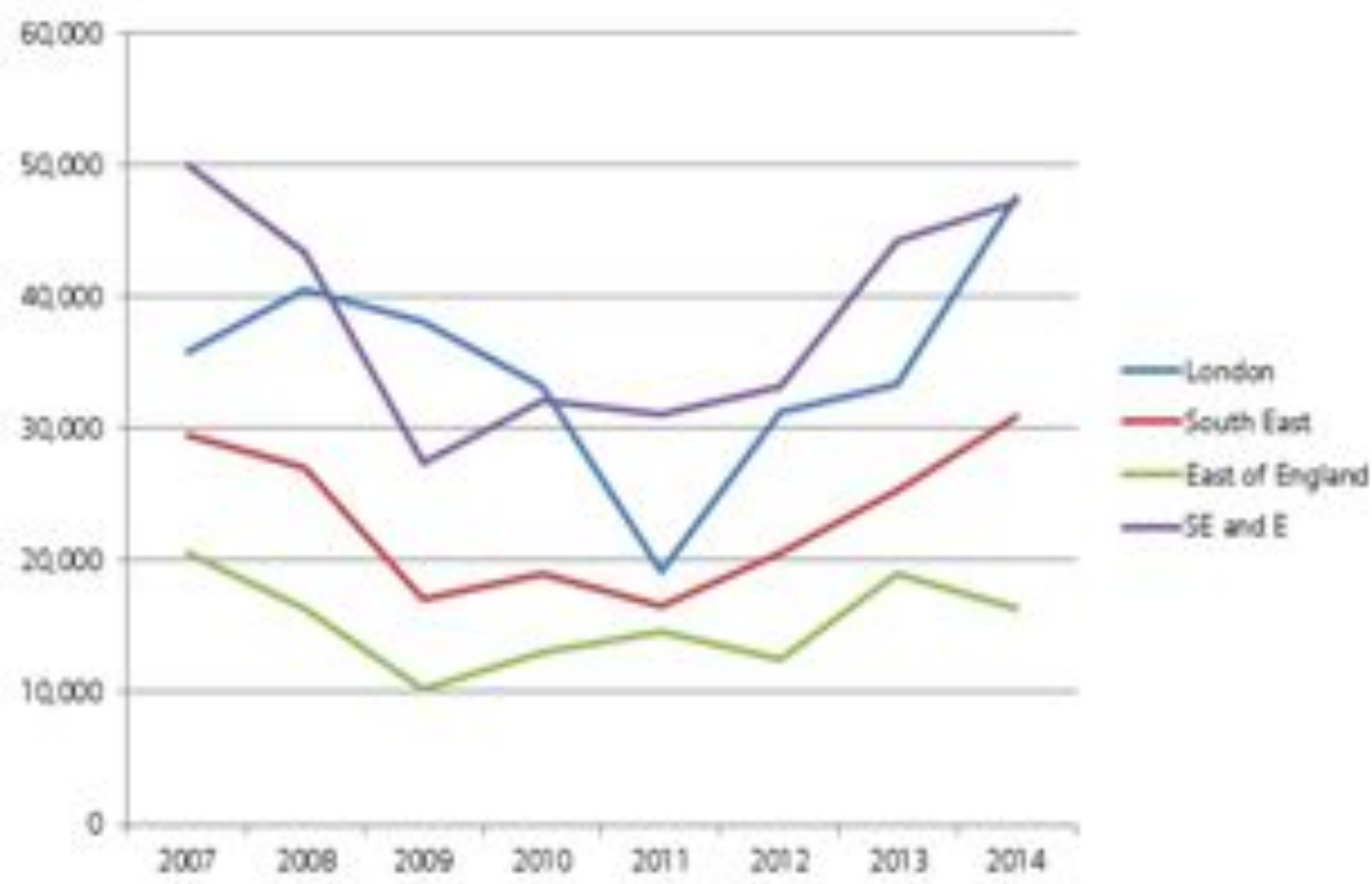
Accommodating some growth beyond London:
Grant Thornton growth corridors

Another spatial scenario:

cumulative wider SE **LEP's** proposals

Housing approvals in South East, East and London

(HBF: conventional housing schemes over 10 units)



‘Values’ to inform development of the new arrangements?

- CLG philosophy: bottom up strategy formulation, use existing/’natural’ structures?
- Focus on what unites rather than divides – e.g. together we represent c.50% of national GVA
- Recognise there will be differences of view
- E.g. ‘Volunteers/partners for growth’
- Work with Mayor on common infrastructure requirements
- Keep everyone informed
- Recognise that views/arrangements may change over time – short/ medium and longer term models

Evolving structures to inform new coordination arrangements

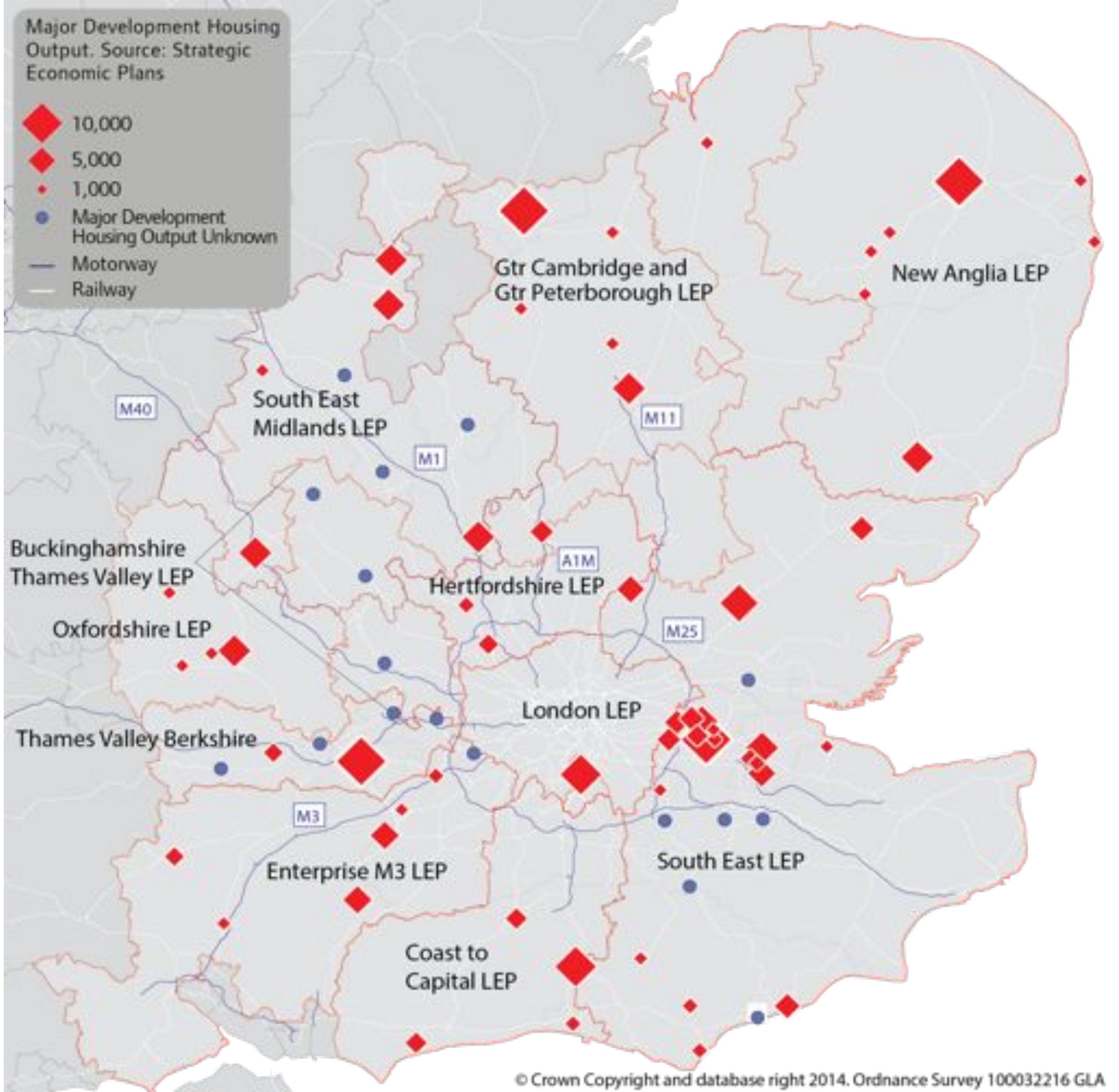
- LEP or LA based structures?
- Base geography: Local Planning Authorities and Counties within old East and SE England regions?
- Political engagement: EELGA and SEEC Leaders
- Officer level engagement: do current arrangements (SSPOLG) need to be more 'representative'?
- 'Natural'/existing groupings eg Peterborough/Cambridge/ Stansted/ London, other London Plan 'Corridors'. New corridors eg South Essex, North Kent?

Emerging policy issues for regional coordination

- **Scale of potential growth**: output, employment, demographic scenarios
- **Form of sustainable growth**: within London (high PTAL, high density e.g. some town centres, Opportunity Areas, surplus industry, other large sites); beyond London eg expanded towns, new towns. Common corridors.
- **Networks for sustainable growth**: rail, road, ports, air, 'local' modes, freight, connectivity
- **Environment for sustainable growth**: water, energy, minerals, climate change, green belt

LEPS Approach

'growth locations' outside London: ongoing partnership working



CASE study: Thames Gateway: London, Essex, Kent

50,000 potential new homes in each area

London Plan [FULL] Review timetable

- **March 2015**: FALP / 2050 Infrastructure Plan published
- **March 2015** First Regional Summit

- **Summer 2015** Wider SE Commission: 4 Sub-regional 'Summits' around wider SE?
- **Nov 2015** Second Regional Summit
- **Dec 2015** Wider SE Commission & Outer London Commission recommendations?

- **May 2016** new London Mayor
- **Summer 2016:** 'Towards a new London Plan'?
- **2018** new London Plan EIP?
- **2019 publish new London Plan?**

Conclusion: we need a big plan!