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Sadiq Khan, Mayor of London
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Sent via email to londonplan@london.gov.uk

28 February 2018

Dear Mayor

South East England Councils (SEEC) Response to Mayor's London Plan consultation

1. Introduction and Summary

- 1.1 We respond on behalf of South East England Councils (SEEC), the cross-tier voice of local authorities in the South East of England. We are a voluntary membership body, bringing together county, unitary and district councils. Together we promote the views and interests of all tiers of local government across the South East, representing 9.1 million residents – the largest population in the UK.
- 1.2 SEEC members welcomed the opportunity to discuss key issues with you at the Wider South East (WSE) Summit on 26 January. This built on our constructive dialogue over last 18 months between SEEC and London Deputy Mayor Jules Pipe through the WSE Political Steering Group (PSG).
- 1.3 We warmly welcome your ambition in the draft London Plan to achieve a sustainable step-change in growth, to deliver London's housing and other needs within your own boundaries. We also welcome the principle - in the spirit of our joint PSG engagement – of London working with councils in the South East, to deliver mutual benefits from growth and to secure investment and national policy changes needed to help both our areas.
- 1.4 However further clarity is needed in the next post-consultation iteration of the Plan on how aspects of these high-level aims will be delivered. If not addressed, these will leave uncertainty which could not only hinder delivery of your Plan, but also impact on the South East's own local growth plans. As SEEC has previously explained, whilst local circumstances vary, it cannot be assumed that South East authorities would be able to accommodate additional unmet housing needs from London. Many of our member authorities already have their own challenging growth pressures and constraints, as well as facing similar challenges as London in ensuring delivery of housing and securing infrastructure funding.
- 1.5 Our response below highlights the importance of sustaining the South East's success alongside London's. **We welcome the direction, ambition and principles in the draft Plan, however there are 3 main proposals where more detail is required on how the Mayor plans to deliver his ambitions:**
 - A) **Aim to meet all London's housing within its boundaries.** *The Plan should include further information on how this 50% increase on current delivery will be achieved, how the 1,000 homes a year gap will be filled, and what happens after the Plan's initial 10-year targets.*
 - B) **A focus on only 'willing partners' outside London who might want to help accommodate some of London's growth as 'a prudent long term contingency' if London cannot meet its housing needs.** *The Plan needs to specify how this will work in practice and the benefits that would accrue to South East councils as well as London.*
 - C) **Joint working on infrastructure.** *Further information is needed on how the Mayor can support the need for infrastructure investment required to underpin delivery of plans outside*

London. We would also welcome clear recognition that many of these investments are needed to support existing South East plans/priorities, not additional growth from London.

1.6 Our response explains these issues in more detail. Member councils will also respond.

2. The local and national importance of sustaining London and South East success

2.1 The South East and London are the drivers of the national economy, home to the UK's largest populations, and consistently deliver the highest homes growth and net financial returns to the Treasury, coming first and second respectively on key measures (see table below). It is in part the strong interdependencies between our areas that make us both successful. But it is also important to recognise that the South East is more than a commuter economy and has a strong economy in its own right, which needs investment to sustain and grow, supporting local growth plans – and continuing to make a vital net contribution to UK-wide public finances.

	South East	London
Economic size (GVA 2016, workplace-based)	£257 billion (£29k per head) 2nd BIGGEST	£396 billion (£45k per head) BIGGEST
Population size (2017)	9.1 million people BIGGEST	9.0 million people 2nd BIGGEST
Net new homes p.a. (2016-17)	36,526 homes 2nd HIGHEST (highest in previous 2 years)	39,560 homes HIGHEST (2nd highest in previous 2 years)
15-year Net contribution to the Treasury (2000/01-15/16)	£154 billion BIGGEST	£126 billion 2nd BIGGEST

2.2 We have discussed the key interdependencies between the South East and London at the WSE Political Steering Group, and welcome high-level recognition of these issues in the draft Plan. **Through the PSG, we are keen to take political dialogue forward with you on the London Plan, and to tackle shared challenges on important shared sustainable growth issues.**

3. Issues for clarification in the draft London Plan

3.1 **SEEC welcomes the Mayor's ambition in the consultation London Plan to achieve a sustainable step-change in growth, to deliver London's housing and other growth needs within its own boundaries. We also welcome the principle - in the spirit of our joint PSG engagement – of London working with councils in the South East to deliver mutual benefits given the national economic importance of both our areas. However further clarity is still needed on three key aspects of these high-level aims:**

A) Mayor's aim to meet all London's housing within its boundaries

3.2 **SEEC welcomes the Mayor's ambition to accommodate all London's housing growth within its boundaries** (London Plan para 2.3.1/4.1.1). Given the South East has its own significant pressures on housing, protected-land, transport and wider infrastructure, it would be wrong to *assume* there is capacity for the South East to accommodate any London overspill. Therefore we see 4 aspects of the Plan where further clarification is needed about how the Mayor will deliver his aim. If not addressed these will create uncertainty which could not only hinder delivery of the London Plan, but also impact negatively on the South East's own local growth plans:

- i) GLA's SHMA shows London needs 66,000 homes a year and its SHLAA suggests capacity for 65,000 by making best use of land with high density/mixed uses (Policy GG2) – leaving **a gap of 1,000 homes a year.**
 - **The Mayor should clarify how he will address the 1,000 homes a year gap within London, to deliver his aim to meet London's need in its boundary.** The Mayor should also explain how he will consider the implications of Government's proposed new housing need methodology if it is implemented.
 - **The Plan should also make it clear that responsibility remains with the Mayor/London to resolve any remaining unmet housing need from the SHMA.** This is important to avoid speculative developers arguing that South East local plans should pick up London's overspill in an ad hoc way, undermining South East councils' own growth strategies.
 - **In consultation with partners including the WSE PSG, the Mayor should develop a clear and transparent delivery & risk monitoring framework for London Plan policy delivery/implementation.** This should form the basis of regular reporting and discussion

on progress at the WSE PSG, to help the GLA consider actions required to help address any Plan delivery issues.

- ii) The draft Plan reiterates the Mayor's protection of **London's Green Belt** (Policy G2) and other green/ open spaces (Policy G3-G4).
 - **Given councils outside London already have to consider Green Belt review to accommodate their own assessed housing need, we ask the Mayor to show leadership and encourage review at London-wide level – or explain his justification for not doing so. This is particularly relevant given that the draft London Plan shows a 1,000 homes pa gap between demand and supply.**
- iii) The Plan includes London borough **housing targets only for the first 10 years of the 22 year plan** (Policy H1/table 4.1), overall aiming to double the current rate of homebuilding.
 - **Clarity is needed on what happens after the first 10 years as there are no housing targets after 2029.** Local plans in the South East are expected to take account of longer term requirements, preferably looking at a 15 year period, and the Mayor's short time-horizon leaves uncertainty for all partners delivering/developing plans. It is also likely to make it difficult to reach agreements with 'willing partner' councils who are required to produce detailed plans covering longer timescales.
 - **The Mayor's ambitious housing growth plans are welcome, but clarity is needed in the Plan about how he will ensure London boroughs meet their share of the Plan's overall target.** As a contingency, the Plan should also address how he will ensure London's needs are met in its boundaries if they do not.
- iv) The Plan refers to London's **housing delivery not keeping pace with planning approvals**, highlighting an unbuilt pipeline of 274,000 homes, which could hinder delivery of the Mayor's growth aims. The Plan also **aims for 50% of all new homes to be 'truly affordable'** (Policy GG4 & H5). Delivery of approved market and affordable homes and supporting infrastructure is a shared challenge in the South East, holding back local growth plans.
 - **SEEC welcomes ongoing joint working with the Mayor to press Government for changes that would help address our shared challenges of unimplemented planning permissions and barriers to housing delivery. We would like to see the Plan specify the Mayor's commitment to working in partnership with SEEC to help London and its neighbours overcome particular barriers to delivering market and affordable homes**, such as: local discretionary powers to incentivise delivery (eg. charging council tax on unimplemented permissions); funding powers/freedoms for us to deliver more affordable homes (eg. lifting the HRA cap for all councils) and supporting infrastructure (eg. local retention of stamp duty).

B) 'Willing partners' for growth outside London

- 3.3 Despite the Mayor's welcome aim to accommodate the vast majority of London's growth in its own boundaries, the Plan explains he is interested in working with 'willing partners' for growth beyond London. The Mayor sees exploring options to accommodate housing growth outside London as a 'prudent long-term contingency' (Policy SD3/para 2.3.4-5). He is also looking at scope to substitute some industrial capacity, moving jobs outside London where there are mutual benefits for areas that choose to cooperate on providing sites for homes and/or jobs (Policy E7.F).
- 3.4 As a whole, South East councils are already planning and delivering high housing growth - **including** an allowance for migration from London. However many face significant constraints (eg. Green Belt, AONB, National Parks, SSSIs, SPAs) and overstretched infrastructure that prevents them offering to accommodate further London growth. The South East has an estimated £15.4bn infrastructure funding gap to 2030. Therefore, whilst local situations vary, the Mayor should not assume London's unmet housing needs can easily be met in the South East. **SEEC therefore welcomes the Plan's focus on only willing partner councils – rather than all areas outside London – who might choose to come forward if they think they may be able to help accommodate any jobs or unmet London housing needs in return for mutual benefits.** However the Mayor's process for this engagement or benefits for areas outside London is not clear at present:

- i) **To help councils outside London consider whether they may be in a position to discuss being a ‘willing partner’ for growth with the Mayor, clarification is needed in the Plan on the benefits to councils and what the Mayor is asking for.** This way potential partners can see if there could be mutually beneficial outcomes, supporting local economic and other growth ambitions, eg.
 - **If taking extra housing growth from London is to support local social/economic ambitions, what infrastructure investment would come with it?** (eg. for transport or affordable housing).
 - **If relocated jobs are to support local economic growth, what type of jobs would be covered, what type of sites would be required and how would businesses be persuaded to move?**
 - **What is the timescale of the Mayor’s ‘long-term contingency’?** How does this fit with local plans preparation in the South East, which are already looking at least 15 years forward?
- ii) In advance of the next post-consultation iteration of London Plan policies, we also urge the GLA to take forward **SEEC’s previous suggestion for the Mayor to undertake a formal call for interested councils outside London to come forward who want to discuss being a ‘willing growth partner’.** This would provide a more transparent and certain approach than GLA’s current informal discussions. To support ongoing collaboration, **it would also be helpful for SEEC and PSG to receive regular updates about which councils the GLA/Mayor is speaking to** as prospective willing partners outside London, and what progress has been made so far in securing deals with them.

C) Joint working on infrastructure

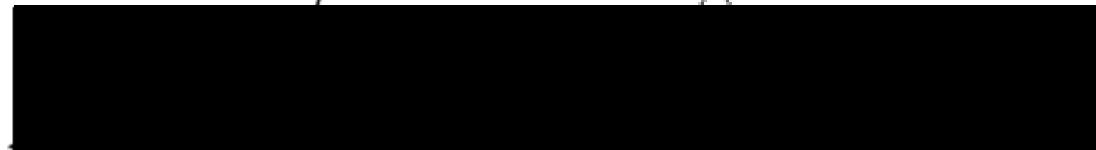
- 3.5 **SEEC welcomes the Mayor’s commitment to work with South East councils and other partners to secure mutual benefits on growth and infrastructure** (para 2.0.5, Policy GG5/para 1.4.8). As outlined above, the South East and London are the UK’s economic powerhouses. The interdependencies that underpin our collective success rely on effective transport in both London and throughout the South East. It is vital the South East is not simply seen as London’s commuter belt – alongside your ambitions for London, South East councils are ambitious to drive forward their own strong economic growth potential, but this is being held back by inadequate infrastructure funding. These concerns are reinforced by research for SEEC showing a £15.4bn infrastructure funding gap by 2030 in the South East alone.
- 3.6 Challenges exist in the South East for those commuting within the area, as well as those commuting in and out of London. These include train overcrowding, increasing demand for rail travel, rises in fares, the need for new orbital and radial routes and improving the reliability of existing services. The South East also provides an important global economic transport gateway for businesses from London and nationwide, giving access to international ports and airports. SEEC’s [Missing Links](#) report further highlights the need for strategic infrastructure investment in the South East to maintain its economic potential. **Tackling the infrastructure funding gap is a shared priority to ensure a strong economic future for our areas, and the UK as a whole.**
- 3.7 The inclusion of the **initial 13 WSE strategic transport infrastructure priorities endorsed by the WSE PSG and Summit is welcome** (Para 2.3.6/Fig 2.15 & Policy T1/Table 10.1) given the importance of growing both London and the South East’s own economies, as well as supporting interlinkages between both our areas. Following PSG discussions, **we also welcome recognition that these initial 13 transport priorities are needed to ensure existing economic and homes growth plans are delivered and transport deficits addressed – not simply to open up new growth corridors for London’s unmet housing needs.** However some further clarity will be important to ensure progress on these priorities which can deliver mutual economic benefits for the South East as well as London:
 - i) **Continued joint working to progress mutually beneficial transport schemes through the WSE PSG (Policy SD2/para 2.2.4), and with partners, is a shared priority.**
 - It will be **important that the London Plan continues to be clear that WSE transport investments are needed to deliver mutual economic benefits for the South East as well as London.** Benefits could include relieving existing congestion and encouraging more ‘self-sufficient’ areas outside London. For example better orbital routes outside

London would increase direct travel options, reducing travel that needs changes within London's network, which could assist the Mayor's transport strategy aims.

- Clarity would be helpful on **what the Mayor can do to help progress key shared transport priorities in the South East** eg. funding support, or jointly making the case for investment and funding powers/freedoms to Government. **We would like to see specific mentions in the London Plan to demonstrate the Mayor's commitment to working in partnership with SEEC to help promote measures to secure essential strategic infrastructure investment that will support jobs and housing growth in both our areas.**
 - The Mayor must **ensure the Plan continues to be clear that WSE transport priorities, needed to meet existing South East demand for homes and jobs, are not assumed to be corridors for extra growth from London.** South East growth patterns and priorities are for South East councils to determine, and it is important the London Plan does not prejudice local growth plans outside its boundaries.
 - **The Plan must make clear that the initial list of shared WSE transport priorities may be further refined or evolve over the 20 year timeframe of the Plan,** reflecting progress on existing schemes or newly emerging priorities. For example, the next WSE PSG is discussing the role of emerging Sub National Transport Bodies and possible implications for alignment of priorities in the longer-term.
- ii) The Plan reiterates the **Mayor's opposition to expansion of Heathrow unless no additional noise or air quality harm would result**, but that he supports additional aviation capacity, including improved surface access (Policy T8).
- **The London Plan should emphasise that western and southern rail access improvements to Heathrow are necessary now to tackle existing transport problems,** and not just as pre-requisites for Heathrow expansion to proceed.

We look forward to continued engagement with you on these important issues.

Yours sincerely



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