

WIDER SOUTH EAST OFFICER WORKING GROUP (WSE OWG)

17 JUNE 2019 11:00-13:00 AT LONDON COUNCILS, 59½ SOUTHWARK STREET, LONDON, SE1 0AL

AGENDA

1.	Welcome, introductions and apologies Meeting Chair: Nick Woolfenden, South East England Councils
2.	Minutes of previous meetings on 13 September 2018 and 25 June 2018.
3.	Preparing for WSE Political Steering Group (PSG) meeting on 9 September 2019 a) Update re PSG on 8 March 2019 and key actions arising (<i>also from WSE Summit report here</i>) b) Preparation for PSG key discussion items: i. Update on London Plan EiP, and scenarios re future levels of London housing growth. ii. Understanding Wider South East housing growth levels - collating summary data that PSG members have asked to discuss, <i>including latest local plan/London Plan housing targets, new standard methodology need figures, numbers of homes being delivered, and delivery test.</i>
4.	Ongoing WSE priorities - Tackling housing delivery barriers: funding infrastructure, including affordable homes, through Land Value Uplift Capture
5.	Scheduling WSE Summit 2020 (<i>verbal</i>)
6.	GLA smarter/digital development data project – update (<i>paper to follow</i>)
7.	Future meeting dates (<i>verbal</i>)
8.	AOB
9.	Meeting close

Draft NOTES OF THE WIDER SOUTH EAST (WSE) OFFICER WORKING GROUP (OWG)
25 June 2018 at 14:00 – 16:00 at City Hall, London

Present:

Richard Hatter, Thurrock Council/ East of England Officer Working Group Chair
Matthew Jericho, Essex County Council
Rebecca Roebuck, Cambridgeshire County Council
Hannah Shah, East of England LGA (EELGA)

Max Baker, Bracknell Forest District Council
Sue Janota, Surrey County Council
Mark Aplin, Dartford Borough Council
Wendy Lane, Gravesham Borough Council
Chris Kenneford, Oxfordshire County Council
Nick Woolfenden, South East England Councils (SEEC)

Steve Barton, London Borough of Ealing
Jennifer Peters, Greater London Authority, Planning
Darren Richards, Greater London Authority, Planning
Jorn Peters, Greater London Authority, Planning (Chair)
Josephine Vos, Transport for London
Oscar Watkins, Greater London Authority, Infrastructure

Item 1 – Welcome and Apologies

- Jorn Peters, GLA, standing in as Chair for Katharina Winbeck, London Councils, who is not available

Item 2 – Notes of 8 Dec 2017 Officer Working Group Meeting

- Draft meeting notes (provided separately) were agreed
- Jorn Peters (GLA) provided verbal overview from Political Steering Group meeting in March; papers available on the WSE website

Item 3 – Strategic Water Supply Options

- Helen Gavin (Atkins) gave presentation (provided separately) on behalf of Water Resources South East (WRSE), which included approach to addressing Extreme Drought scenario
- All relevant water companies and the Environment Agency are contributing to WRSE; local authorities are currently not involved
- Regional modelling of supply options to solve water resource deficit; comparison of different future scenarios, e.g. drought, lower population projections
- WRSE is an advisory body with its regional approach informing the Water Resource Management Plans and promoting collaboration beyond water company Resource Zones
- WRSE is promoting the consideration a single regional Water Resource Management Plan, but that would require legislative change
- Opportunity to also address strategic flood risk and wastewater issues, alongside supply
- We should also look into collaboration opportunities related to energy infrastructure

Action:

**Water Resources East (WRE) will present to next meeting; WRSE is involving Anglian Water as link to WRE
All to consider what we could jointly promote and the value the WSE partnership could add to existing arrangements, e.g. exploring regional Water Resource Management Plan option**

Item 3 – Strategic Waste Management Update

- Julie Greaves (East of England Technical Waste Board) presented the item (paper provided separately)
- Draft London Plan policies broadly welcome; important that sites are safeguarded and aspirational targets delivered
- Concern that industrial land is lost to housing or housing getting too close – loss of waste sites would reduce capacity to handle waste, and consequently more waste may have to be exported
- Update of consistent baseline for all regions this year; working with Environment Agency
- Excavation waste (e.g. from Crossrail, Thames Tideway Tunnel, Silvertown) has to be monitored closely
- Opportunities for further interregional collaboration on monitoring
- Duty to Cooperate meetings and in the future Statements of Common Ground can facilitate agreed waste management commitments
- Waste RTABs have technical focus and are not statutory: WSE partnership can provide political perspective

Action: Continue liaison with RTABs at future meetings

Item 4 – Barriers to Housing Delivery – Further Engagement with Government

- This item was introduced by Nick Woolfenden (SEEC) (paper provided separately)
- Should consider Land Value Capture Select Committee responses from any other Group members
- Assembly of land is key; Homes England has Land Assembly Fund that could help
- Need to review Letwin report – just published

Action: Range of options need to be presented to next PSG in Oct: no ‘one-size-fits-all’

Item 5 – Principles of Collaboration with Sub-national Transport Bodies

- This item was introduced by Hannah Shah (EELGA)
- England’s Economic Heartlands and Transport for the South East given £1M each from Government to produce draft Transport Strategy by end of next year; technical expertise on transport
- WSE PSG members meeting with SoS Transport last year– request to make 13 Strategic Infrastructure Priorities shorter and more specific and to engage with the STBs
- Potentially funding for strategic schemes, once STBs have statutory status

Action: Further discussions with all three Sub-national Transport Bodies (STBs) needed on how WSE partnership could support and add value (e.g. geographically/politically) – then paper to PSG in Oct

Item 6 – London plan update

- Jorn Peters introduced this item (paper provided separately)
- Further explorations of willing partners approach needed, but GLA could not directly respond to specific EELGA proposals while response to consultation overall still underway
- Clarification regarding long-term contingency planning beyond 10-yr housing target needed
- Significant infrastructure investment could help with housing delivery
- Concerns over approach to small sites

Action: More in depth discussion and preparation for London Plan Examination at additional OWG meeting being scheduled for Sept – Matters and Participants will be available as well as new NPPF

Item 7 – AOB

- N/A

Draft NOTES OF THE WIDER SOUTH EAST (WSE) OFFICER WORKING GROUP (OWG)
13 September 2018 at 13.30 – 15.30 at City Hall, London

Present:

Paul Donovan, Hertfordshire Council
Matthew Jericho, Essex County Council
Carolyn Barnes, Bedford Borough Council
Rebecca Roebuck, Cambridgeshire County Council
Kate O’Driscoll, East of England LGA (EELGA) (Chair)

Mark Aplin, Dartford Borough Council

Alison Bailey, South Bucks District Council and Chiltern District Council

Max Baker, Bracknell Forest Council

Sue Janota, Surrey County Council

Chris Kenneford, Oxfordshire County Council

Wendy Lane, Gravesham Borough Council

Nick Woolfenden, South East England Councils (SEEC)

Jennifer Peters, Greater London Authority, Planning
Darren Richards, Greater London Authority, Planning
Jorn Peters, Greater London Authority, Planning
Julia Thomson, Greater London Authority, Planning (Waste)
Katharina Winbeck, London Councils

Item 1 – Welcome and Apologies

- Kate O’Driscoll, East of England LGA chaired the meeting.

Item 2 – Notes 25 June 2018 Officer Working Group Meeting

- Draft notes were not available and will be provided at the next meeting.

Item 3 – London Plan – preparation for Examination in Public

- Jorn Peters (GLA) introduced this item (paper provided separately)
- An overview of the next stages of the London Plan preparation process was given including
 - The Mayor of London’s Minor Suggested Changes (provided at Annex 1 of the paper)
 - Draft Matters and Participants – just published and shared
 - Technical Seminars 6 November
- Issues of significance for the WSE were discussed including
 - Willing Partners Approach
 - The 1,000 homes per year that the draft London Plan does not currently accommodate and related monitoring and review arrangements
 - GLA highlighted the need to discuss other strategic policy issues including waste management

Actions:

Jorn to reflect emerging GLA position on relevant EiP Matters including housing supply and targets in the PSG paper for 10 October meeting to enable members to discuss preparation for the EiP including any key areas of agreement (complete)

Item 4 – Suggestion of Statement of Common Ground (SCG) for WSE,

- This item was introduced by Nick Woolfenden (SEEC) (paper provided separately)
- The idea of a joint high-level SCG across the WSE has been suggested by GLA for discussion at WSE OWG and forthcoming PSG
- OWG were asked to discuss the issues to inform exploring the idea of a high level WSE Statement of Common Ground. Discussion included:
 - What would be the rationale for having a Statement of Common Ground
 - Relevance for the WSE partnership arrangement
 - The pros and cons from a strategic and operational perspective
 - The link with local plans and NPPF requirement
 - Local authorities' experiences of the Statement of Common Ground so far
 - The key points members would need to consider

Action: It was agreed to reflect on views raised at today's meeting and then further explore the idea of a high-level WSE Statement (verbal update to be provided at OWG meeting)

Item 5 – Principles of Collaboration with Sub-national Transport Bodies

- This item was introduced by Kate O'Driscoll (EELGA)
- At the WSE PSG held on 21 March 2018, there was a preliminary discussion on the potential for engagement between WSE PSG and the emerging Sub-national Transport Bodies (STBs) in the WSE geography: England's Economic Heartland; Transport East; and Transport for South East including how collaboration could strengthen the case for central government support and funding on shared strategic infrastructure priorities.
- WSE core officers and lead officers of the three STBs met during the summer to explore the aims and opportunities for engagement, and respective roles.
- Three STBs are in the process of developing overarching Transport Strategies for their areas and are at varying stages in development.

Actions:

WSE core officers to work with STB lead officers on a paper to the PSG on 10 October 2018 to brief members on progress of each STB, and enable discussion on opportunities for collaboration. (Complete)

Topic to also be discussed at the WSE Summit January 2019 (Complete)

Item 6 – Tackling barriers to housing delivery – including next steps on Land Value Capture

- This item was introduced by Nick Woolfenden (SEEC) (paper provided separately)

- Nick provided an update as outlined in the paper, noting the appointment of Kit Malthouse as the latest housing Minister.
- It was noted that the Independent Review by Oliver Letwin is still to be published.
- Officers discussed different options to collectively put forward to Government on land value capture (which would help much-need infrastructure and affordable housing) from new build homes.

Actions:

WSE core officers to draft paper for WSE PSG to discuss the emerging WSE package of proposals to help infrastructure funding through Land Value Uplift Capture, proposing that PSG writes to the new Housing Minister outlining these and requesting a meeting to discuss tackling housing delivery barriers. (complete)

Topic to also be discussed at the WSE Summit January 2019 (complete)

Item 7 – Preparation of Political Steering Group and Summit

Nick Woolfenden provided a verbal update on format and potential content. Discussion on this took place during the previous items.

Item 8 – AOB

N/A

Item 9 – Future Meetings

WSE Political Steering Group: 10 Oct 2018

WSE Summit: 11 Jan 2019

ITEM 3b i:

Preparing for PSG meeting on 9 September 2019 –

Potential scenarios of post London Plan Examination in Public (EiP) housing growth levels

Recommendations:

- **To inform discussions about related opportunities for collaboration at its next PSG meeting, OWG considers the potential post London Plan EiP growth scenarios set out below alongside the understanding of housing growth levels across the WSE (see Item 3b ii)**

1.1 At the last WSE Political Steering Group (PSG) on 8 March 2019, members indicated that it would be important to understand outcomes/implications of the EiP in relation to scale of housing growth and deliverability to shape other aspects of the PSG's priorities going forward.

1.2 The overall timetable towards publication of the new London Plan is as follows:

- Receipt of Inspectors' Report – Sept 2019 (GLA has 8 weeks to publish after receipt)
- Submission of Intend to Publish Plan to Secretary of State - Late 2019
- Consideration by London Assembly - Early 2020
- Publication of the final London Plan - Early 2020

1.3 However, we do not have to wait for Inspectors' report to progress related collaboration activities. The Mayor's response to the following Preliminary Questions gives some direction on the GLA's position on different scenarios going forward.

- Housing Targets Review - [Mayor of London response to Panel's Supplementary Question Matter 22](#) (Mayor of London, Mar 2019)
- Green Belt Review options - [Mayor of London response to Panel's Supplementary Question Matter 65](#) (Mayor of London, Mar 2019)

1.4 Without prejudicing the outcome of the London Plan EiP, it is also possible to anticipate a limited number of potential scenarios in terms of the levels of housing growth arising following the EiP:

- Draft London Plan housing supply target – gap of 1k/a (over first 10 years) between draft Plan's housing supply target and its identified need
- Inspectors recommend a lower housing target, which would increase gap between the housing target and draft Plan's identified need
- Current PPG Housing Need Standardised Methodology – gap of 7k/a between this higher housing need figure (72k/a need) vs draft Plan's current housing supply target (65k/a supply)
- New PPG methodology (currently being developed by Government) – unknown gap – but Government is promoting the delivery of 300k homes per year nationally.

1.5 On the basis of these scenarios and the understanding of growth levels across the WSE (see Item 3b ii) PSG will be in a position to discuss the implications for the WSE partnership and consider the scope and opportunities for collaboration related to growth beyond the current London Plan process.

ITEM 3b ii:

Preparing for PSG meeting on 9 September 2019 - Understanding Wider South East housing growth levels - collating summary data that PSG members have asked to discuss.

Recommendations:

- **Following a request from WSE PSG for high-level data to inform discussions at its next meeting, OWG considers proposed specific sources for data gathering.**
- **OWG assist the WSE lead officers group with data gathering/checking for local areas as appropriate. In preparation for member discussion on what the datasets mean for WSE collaboration at next PSG on 9 September, this will need to be completed by end of July 2019.**

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- 1.1 At the last WSE Political Steering Group (PSG) on 8 March 2019, members asked that officers from East, London and South East collate some high-level data/information to help them understand the levels of housing growth being planned and delivered in the WSE. They felt understanding this could be helpful to them in making the case to Government for infrastructure investment, as well as considering future scope and opportunities for WSE collaboration beyond the current London Plan process (see PSG draft minutes 8 March 2019, para 3.6).
 - 1.2 In light of this request from PSG, this note sets out key data that the core group of lead officers from the three regions plan to gather, with involvement of local planning authorities.
 - 1.3 OWG is invited to discuss the proposed data to be gathered, and how colleagues can help ensure that accurate data is gathered for the 100+ local planning authorities in preparation for the PSG discussion on 9 September. Given the nature of the data being collated, it will also be important to avoid any potential misunderstanding about why the data is being gathered, which could be counterproductive to constructive political dialogue.
 - 1.4 **Proposed key data to be gathered:** *Please note, given PSG's aim is to get a high-level picture of total levels of growth, the plan is to collate the data to WSE level, and totals for each of East/London/South East, rather than present individual local authority data that underpins these totals. Data will need to be gathered by end of July 2019, to allow time to prepare for the PSG discussion.*

i. Latest local plan housing targets

- Housing targets from post-2014 adopted Local Plan or - if more recent - from a Local Plan review which is underway and has either been approved by Council for public consultation or has been submitted for/is undergoing Examination.
- Emerging London Plan housing targets will be included for the London boroughs.
- Data for any authority which does not have any of these will be considered on a case-by-case basis.

- An annualised average figure will be used, noting that not all authorities include this figure and it may need to be worked out from a total target for the plan period.

ii. Government new standard methodology need figures

- New standard methodology housing need figures based on MHCLG's Standardised Methodology and its [guidance](#) related to capping increases (generally 40% above average annual housing requirements depending on status of current Local Plan).
- Whilst it is possible for the 'uncapped' figures to be calculated by WSE core lead officers 'centrally' (by using the Government's formula and publicly available official data), there will need to be input from individual councils on the application of the cap.

iii. Number of homes being delivered

- Annual average for homes delivered (ie. completed) over last five years (years 2012/13 – 2016/17) using publicly-available MHCLG Live Table 122 (Net Homes) figures.
- For the London boroughs, slightly more up-to-date Annual Monitoring Report (AMR) figures will be used, but they are based on the data the GLA supplies to MHCLG for Live Table 122.

iv. Government housing delivery test

- Consideration is also being given to whether a high-level understanding of the number of councils falling into different 'categories' (eg. need to undertake Action Plan etc) arising from results of the Government's new housing delivery test could be helpful for members. Government periodically updates national publicly available data on this which could be used.

ITEM 4:

ONGOING WIDER SOUTH EAST PRIORITIES – TACKLING HOUSING DELIVERY BARRIERS: FUNDING INFRASTRUCTURE, INCLUDING AFFORDABLE HOMES, THROUGH LAND VALUE UPLIFT CAPTURE

Recommendations: That OWG

- Considers proposed Land Value Uplift Capture (LVUC) options, for inclusion in a Political Steering Group high-level letter to Ministers.
 - Identifies if any further LVUC options should be included; and any examples of barriers facing existing LVUC initiatives within the WSE which Government could help address.
 - Considers the feasibility of updating WSE unimplemented planning permission figures.
 - Notes the recent PSG letter to Government outlining concerns about proposed changes to Permitted Development Rights.
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1. Land Value Uplift Capture for infrastructure funding, including affordable homes

1.1 As highlighted in previous discussions, the Wider South East Political Steering Group (WSE PSG) sees infrastructure funding, including affordable homes, as one of the key housing delivery barriers to be addressed in the WSE. It has agreed to jointly write to Ministers highlighting options for how Land Value Uplift Capture (LVUC) might be able to help fund infrastructure and affordable homes in the Wider South East, to support sustainable communities and economies.

1.2 Following extensive investigation, there is consensus that there is not a single ‘silver bullet’ solution to put forward. This is also reflected by the Housing, Communities and Local Government Select Committee [inquiry final report](#) in September 2018.

1.3 WSE officers are therefore drafting a letter for PSG to send to Government outlining a package of options for LVUC. Key aspects are set out below. Officers are asked to comment on these and whether there are any additional aspects that should be considered for inclusion; and – following PSG request – to identify any examples of LVUC approaches being implemented in the WSE and barriers being encountered which Government could help address.

1.4 Suggested key aspects to include in letter to Government, for discussion/input by OWG:

- Reform the 1961 Land Compensation Act to allow CPO at a fairer price when it is in the public’s best interest** – despite recent changes, CPO requires payment of ‘hope value’ to the land owner, inflating the cost of acquiring the land. A better approach could be based on a Commons Select Committee recommendation - this would allow the hope value compensation to be adjusted downwards to reflect the public costs of providing affordable housing and infrastructure associated with the development.
- Localising receipts to set up community infrastructure funds** – members have previously called for councils to have access to a share of Stamp Duty the first time a new home is sold. This could be widened to also include a share of other taxation, notably Capital Gains Tax. These receipts could form an area-focused community infrastructure fund to contribute to some of the infrastructure needs arising from new homes in that area.

iii. Implementing Sir Oliver Letwin's review – further detail is needed from Government on Sir Oliver Letwin's outline proposals on land value uplift capture ie. how his recommendation that councils should insist on levels of diversity, which cap residual land values for large sites at around (in Sir Oliver's view) 10 times their existing use, would release funding for infrastructure (para 4.4 in his [Independent Review of Build-out](#))?

iv. Would there be benefits in allowing all councils the option of setting up a Strategic Infrastructure Tariff (SIT) in addition to CIL? - the principle of SITs (a low level levy applied to an area to fund a large, highly visible piece of infrastructure) is widely welcomed, but Government currently restricts this power to combined authorities and joint planning committees, which limits its use within the WSE. Government's recent reforms to CIL are a step in the right direction (eg. pooling opportunities) but views are invited from OWG about whether there could be additional merit in calling for SIT powers to be available to councils/groups of councils not-currently allowed to implement it.

To inform the letter to Ministers, OWG is also asked to identify any examples of LVUC approaches being implemented in the WSE and specific barriers encountered which Government could help address.

1.5 OWG views are also invited on the feasibility and options for updating unimplemented planning permission data, which was previously undertaken drawing on LGA-commissioned Glenigan data and GLA London Development Database (LDD). Whilst more-recent data for London is available through the LDD, comparable figures for the East and South East are not readily or freely available. OWG suggestions for any sources of such data would be welcome, to inform decisions on whether it is feasible to update the figures.

2. Permitted Development Rights

2.1 Following concerns from a number of members at January's WSE Summit on Government proposals to further extend the Permitted Development Rights (PDR) regime, the [WSE PSG wrote to Housing Minister Kit Malthouse](#), to set out its significant shared concerns.

2.2 These concerns relate to the potential unintended consequences of:

- Encouraging residential development that is below acceptable space and design standards.
- Further PDR sites coming forward without contributing to addressing the need for genuinely affordable housing, given PDR exemptions from these contributions.
- Undermining councils' ability to ensure a suitable mix of uses that help to ensure vibrant town centres.
- Worsening the Wider South East's existing infrastructure deficit through lack of financial contributions from PDR sites.
- Undermining councils' role in supporting and developing key sectors of the local economy. Whilst we are committed to a positive plan-led approach, PDR can bypass this and potentially result in loss of employment spaces and sites.

2.3 The PSG also asked for a meeting with the Minister to explore this, and more broadly, how it can work with government on initiatives to increase housing delivery further.

