Wider South East Officer Working Group Monday 25 June 2018, 14.00 – 16.00 Committee Room 2, City Hall, London Agenda

1(14.00) Welcome and Apologies

Chair – Katharina Winbeck (London Councils)

2(14.05) Notes of 8 Dec 2017 Officer Working Group meeting

Chair – draft notes for agreement

Chair – verbal update from Political Steering Group meeting in March

3(14.10) Strategic Water Supply Options

Meyrick Gough (Southern Water) and Helen Gavin (Atkins) on behalf of Water Resource South East

3(14.35) Strategic Waste Management Update

Julie Greaves (East of England Waste Technical Board) on behalf of chairs of the London, South East and East of England Waste TABs

4(15.00) Barriers to Housing Delivery – Further Engagement with Government

Nick Woolfenden (SEEC)

5(15.10) Principles of Collaboration with Sub-National Transport Bodies

Hannah Shah (EELGA)

6(15.30) London Plan Update

Jorn Peters (GLA)

7(15.50) AOB

Future Meetings

• Officer Working Group: Sept 2018 – date tbc

• Political Steering Group: 10 Oct 2018

• Summit: 11 Jan 2019

Terms of Officer Steering Group and further details about Wider South East Collaboration: http://www.london.gov.uk/about-us/organisations-we-work/policy-and-infrastructure-collaboration-across-wider-south-east

Item 2 NOTES OF THE WIDER SOUTH EAST (WSE) OFFICER WORKING GROUP (OWG) 8 December 2017 at 14:30 – 16:30 at City Hall, London

Present:

Richard Hatter, Thurrock Council/ East of England Officer Working Group Chair Matthew Jericho, Essex County Council
James Cutting, Suffolk County Council
Cinar Altun, East of England LGA (EELGA)

Max Baker, Bracknell Forest District Council
Alison Bailey, South Bucks and Chiltern District Councils
Sue Janota, Surrey County Council
Ann Biggs, Spelthorne Borough Council
Chris Kenneford, Oxfordshire County Council
Tony Chadwick, representing Dartford/Gravesham
Francesca Potter, representing Kent County Council
Nick Woolfenden, South East England Councils (SEEC) (Chair)

Steve Barton, London Borough of Ealing
Andrew Barry-Purssell, City of Westminster
Jennifer Sibley, London Councils
Darren Richards, Greater London Authority (GLA), Planning
Jorn Peters, Greater London Authority, Planning
Josephine Vos, Transport for London

James Gleeson, Greater London Authority, Housing & Land (SHMA)
Andrew Russell, Greater London Authority, London Plan (SHLAA)
Ben Corr, Greater London Authority, Demography
Wil Tonkiss, Greater London Authority, Demography

Observer: Nico Bosetti, Centre for London

- 1. Welcome and Apologies
- 2. Notes of the previous meeting on 5 September
- 2.1. Notes were approved as accurate. Nick also noted that a joint WSE budget submission has also been submitted as well as a letter to the National Infrastructure Commission.
- 3. Draft London Plan Consultation
- 3.1. Jorn Peters presented the new London Plan (presentation provided separately).
- 3.2. The draft Plan was much more directive to avoid repetition in London Boroughs' Local Plans. At its centre was the following 'Good Growth' policies, which were cross cutting and reflected throughout the Plan.

- Building strong and inclusive communities focus on social infrastructure, affordable workspace and better diversification of communities;
- Making the best use of land stronger emphasis on intensification of land uses and colocation/mixed use developments with emphasis on urban design led approach maintaining quality of life;
- Healthy city focus on air quality and healthy streets approach also promoted through Mayor's Transport Strategy;
- Delivering the homes that Londoners need result of London SHMA shows London's housing need in region of 66k per year, compared with London supply figure of 65k (evidence in SHLAA); they have been prepared in collaboration with London boroughs, and this can be achieved without having to build on Green Belt;
- Growing a good economy London needs to better maintain industrial space; but also be smarter and more efficient re such spaces;
- Increasing efficiency and resilience relates to London Environment Strategy and GLA's approach to a circular economy; in terms of resilience looking at climate change adaptation and new policy relating to fire safety.
- 3.3. The Key Diagram was more detailed than in current Plan, so it would be clearer where the GLA wanted London to grow in the future. There would continue to be an emphasis on Opportunity Areas, which had been clustered, and the transport links between them had been highlighted.
- 3.4. In relation to the WSE, the linkages were demonstrated in diagrams in Chapter 2 of the draft London Plan. The Mayor did want to work with partners across the WSE to find solutions to shared strategic concerns and expressed support for joint working to ensure plan-making would be informed by consistent technical evidence.
- 3.5. The initial Strategic Infrastructure Priorities had been set out in a diagram, which reflected those endorsed by the WSE Summit. They were a visual representation of the GLA's relationship with the WSE. These Priorities had also been promoted with Government and the National Infrastructure Commission. Discussions would also take place with Sub-national Transport Bodies (STBs) and Local Enterprise Partnerships (LEPs). WSE partners had made clear to the GLA that they did not want the Infrastructure Priorities confused with growth corridors and the GLA had sought to addressed this.
- 3.6. There would be a range of London Plan events in Jan, and colleagues in WSE were invited to attend.
- 3.7. WSE partners raised the following issues:
 - WSE colleagues welcomed the opportunity to discuss and feedback on the new draft London Plan and this more open dialogue with the GLA.
 - The new draft London Plan would go up to 2041 and contained an ambitious 10-year housing target, but was less clear what would happen longer term.
 - The potential implications of limited release of industrial land on particular sectors such as waste and minerals were raised. The GLA referred to its research on industrial land.
 - The relationship between the Opportunity Areas, accommodating a significant proportion
 of London's growth, and the WSE should be clarified. The GLA explained that many would
 take time to deliver and depend on infrastructure investment. A few more Opportunity

- Areas had been identified and the importance of linking them better highlighted. Some of them had direct links beyond London potentially raising opportunities for collaboration.
- The relationship between the Opportunity Areas and the SHLAA should also be clarified.
- 3.8. Andrew Russell presented the SHLAA (presentation provided separately). Overall, the SHLAA looked at a 25-year period, but specific housing capacity target would only cover ten years due to the lack of certainty beyond this period and the capital's reliance on recycled brownfield sites in existing operational land uses. This SHLAA identified more capacity in outer London than previous ones.
- 3.9. The components of overall housing capacity were made up of large sites, small sites and non-self-contained sites (including accommodation for students and older people). A significant amount of capacity on large sites was found in East London. The GLA envisaged a phased approach to delivery on large sites. Beyond the first ten years, significant infrastructure schemes such as Crossrail 2 will be important. In terms of small sites, London borough indicated they were not consulted on the methodology for determining small-site capacity.
- 3.10. James Gleeson presented the **SHMA** (presentation provided separately). He highlighted that 23k (35% of the 66k need figure) was identified for market housing, 12k (18%) for intermediate housing and 30k (47%) for low cost rent. The high requirement for one bedroom homes in London (36k of the 66k) was based on the projected increase in single person households.
- 3.11. Comparison with the emerging standardised DCLG formula to calculate housing need was also explained. The DCLG formula produced a need for 72k annually in London. However, the GLA methodology covered a longer timeframe (to 2041), which contributes to the difference.
- 3.12. In terms of migration trends, the GLA highlighted the need to consider 10-year historic migration trends as shorter trends may only capture parts of a full economic cycle. Most SHMAs appeared to already take this into consideration.
- 3.13. WSE members raised concerns over the deliverability of the capacity figures based on historic performance and the 10-year housing target. Andrew reiterated going beyond 10 years it would be impossible to be accurate about the rate at which the sites would come forward. He also noted that the London Plan would be reviewed regularly. On deliverability, GLA and the boroughs would need to work together. But more investment from Government was needed, investment in infrastructure to unlock sites and also for public sector house building. It was also highlighted that the challenges of delivery were not limited to London, which is why WSE partners were addressing the issue of Barriers to Housing Delivery jointly.
- 3.14. It was concluded that the discussion had been useful to clarify the GLA thinking behind the polices. The 1k gap capacity shortfall would need to be explained by the GLA at the EiP.
- 3.14 ACTION: SEEC and EELGA to gather questions from WSE officers for sharing with GLA colleagues with a view to clarify some of the queries further ahead of the WSE Summit on 26 January 2018.

3.15 ACTION: Richard Hatter also advised that Essex Planning Officers Association are working on viability and affordable housing. This may be a shared concern where partners could learn from each other. Richard would share more information with WSE colleagues.

4. Common Understanding of Evidence

- 4.1. James Cutting from Suffolk County Council presented key findings from the **LSE Migration Review**, commissioned by the EELGA (details here http://www.eelga.gov.uk/news/widersouth-east-migration-review-published). The research covered migration trends across the East, South East and London. Colleagues were invited to comment or raise any questions.
- 4.2. Jorn Peters remarked that the GLA was interested in some of the methodology and classifications, and their Demography Team might consider how to use them. The research was an excellent resource for the WSE and wider audience.
- 4.3. Jorn Peters asked about interest in the **GLA's labour market projections** for the East and South East and whether the assumption should be validated. Cambridge Econometrics offered to advise on assumptions and could validate them for a fee.
- 4.4. SEEC would not have a budget for validating the projections by GLA for the South East. The East of England would be interested, also to understand differences between these projections and the East of England Forecasting Model.
- 4.5 ACTION: EELGA to share outputs from the for the LSE Migration Review.
- 4.6 ACTION: GLA and EELGA to consider budget options for the labour market projections for the East and South East of England.

5. Annual Summit and Forward Meeting Plan

- 5.1. Nick Woolfenden from SEEC introduced preparations for the WSE Summit on 26 January 2018. It was highlighted that priority would be given to council members due to limited room capacity.
- 5.2. Dates for OWG and further PSG meetings in 2018 should be fixed. The GLA indicated that Autumn 2018 dates could only be provisional due to uncertainty about the EiP timetable.
- 5.3 ACTION: GLA and EELGA to circulate Summit invites. SEEC already done.
- 5.4 ACTION: GLA to identify 2018 meeting dates.

6. Lobbying Government

6.1. Cinar Altun from EELGA provided an update on Infrastructure Lobbying and recommended that the PSG should discuss the relationship with STBs and bring their representatives to the next meeting to consider alignment and clarification of schemes. This was agreed. It was also agreed that officers should consider discussions with the PSG about how (when required) the 13 priorities could be amended.

7. AOB

7.1. There was no other business.



WSE Officer Working Group - Item 3 Long-Term Water Resource Planning: Taking a Regional Approach to Resilience

Helen Gavin

WRSE Programme Manager (Atkins)

Meyrick Gough

Member of the WRSE Programme Management Board, and leader of the Extreme Drought Subgroup (Southern Water)

www.wrse.org.uk

Water Resources in the South East



Setting the scene – the region's water needs

Water Resource Modelling

How the outputs are useful

Exploration of Extreme Drought

The Future

Setting the scene – the region's water needs

Water Resources in the South East



Water is critical for domestic customers, underpins the productivity of key sectors and is an enabler of regional housing and economic growth

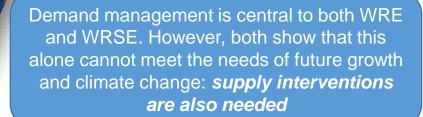
- South East companies currently supply 19 million households and 2 million businesses
- Population expected to grow by 1.9 million by 2024 nearly half of total population growth for England
- Companies currently supply 5 billion litres of water per day
- Supply demand deficit in WRSE region is projected to be between 910 MI/day and 2,600 MI/day by 2080

Other key considerations:

- Long-term resilience
- Economic growth and industrial policies
- How water can add further economic value
- Co-dependency with energy and agriculture and future growth
- Cost of failure to the economy (extreme drought restrictions cost £300m per day in London)
- Support tourism and world events

Challenges and uncertainties:

- Population and housing growth: fastest growing area of the country
- Impact of climate change
- Environmental legislation and abstraction
- Changing customer profiles and expectations
- Technological change
- Resource costs and availability
- Rising energy costs

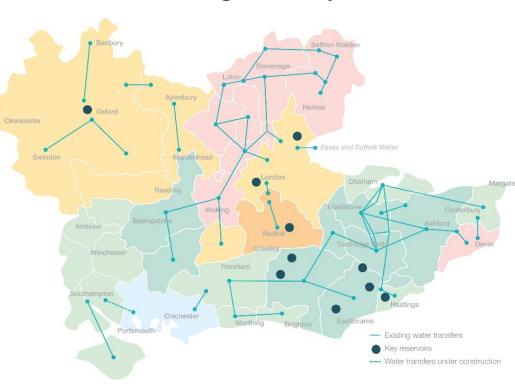


Water Resource Modelling Water Resources in the South East



- Develop resources that offer best value to the region
 - Mutually compatible schemes
 - Shared solutions that are more cost effective than progressing multiple individual schemes
 - Strategic transfers between companies to share supplies and increase regional resilience
 - Reduce the risk of developing options with limited benefit
- Reduce the environmental impact of supplying water in the region
 - Plan for higher levels of resilience across the region reducing the need to go to the environment during drought
 - Ability to select a less damaging option in another company area

The region today:



Water Resources in the South East



Scope of modelling

Review of regional and company needs, agreement on modelling scope, data collection, processing and input.



Modelling process

Check and review of model outputs.
Provision of new or revised data.
Adjustment of modeling scope.

Use Outputs

Production and use of outputs (data, reports) to inform WRSE discussions and company planning.

Have embarked on Phase 4: incorporating feedback on the dWRMPs to inform the final WRMPs

Water Resources in the South East



Our work looks at a wide range of potential futures, over a timeframe of 2020 to 2080, underpinned by advanced modelling and technical data

Inputs

- Droughts different severity
- Population growth forecasts
- Sustainability reductions
- Effects of poor water quality
- Resilience to extreme events
- 1410 options considered: transfers, demand and supply
- Extended timeframe: 2020-2080
- Regional targets for PCC and leakage

Modelling

- Optimisation modelling plus latest testing techniques
- >100 future scenarios identified
- 9 selected for modelling
- Output = portfolios of options for each scenario

Twin Track Approach:

- Current "world class" modelling
- Developing innovative regional simulation model now for PR24

Outputs

- Significant deficit at 2080 from -910 Ml/day to -2,661 Ml/day
- Selection of 'portfolio' of options to solve the deficits
- We can see which options are commonly selected, and are resilient enough to flex and adapt
 - whatever the future
- Scenarios inform which options should be considered by companies

Water Resources in the South East



Published in From Source to Tap

Future A

- •1 in 200 drought
- Sustainability reductions of 98 ml/d
- Deficit -910 MI/d
- Assuming high water
 efficiency: 110 litres pcc by
 2050 & 15% reduction in
 leakage by 2025
- Ambitious demand management within short timeframe: has greater uncertainty and high cost
- •£26 billion

Future B

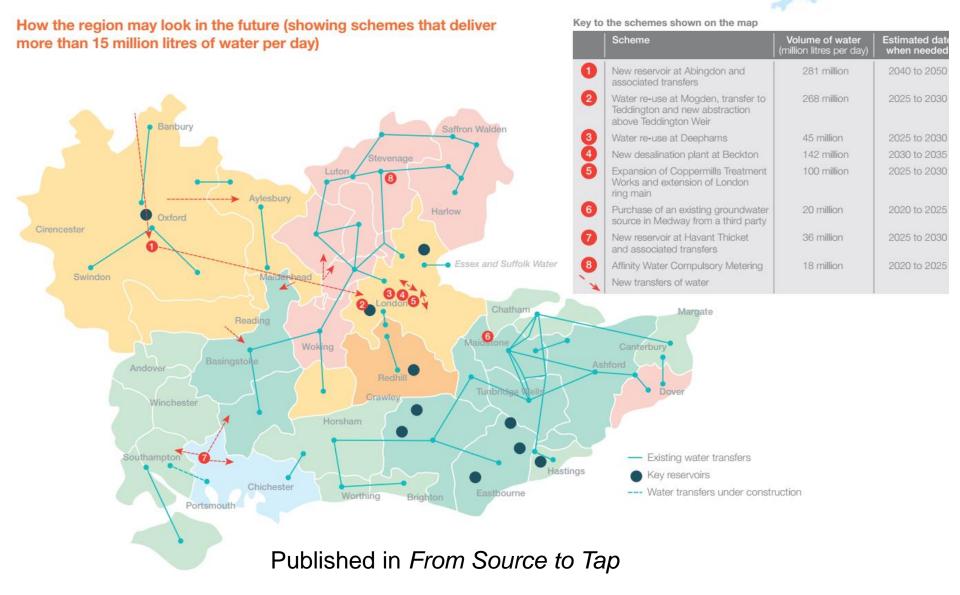
- •1 in 200 drought
- Sustainability reductions of 98 ml/d
- Deficit -2031 MI/d
- Assuming reasonable water efficiency: 135 litres pcc by 2080 and 15% reduction in leakage by 2025
- A longer-term twin-track approach: has lower uncertainty and cost
- •£17.6 billion

Future C

- •1 in 500 drought
- Sustainability reductions of 431 ml/d
- Deficit -2661 MI/d
- Assuming reasonable water efficiency: 135 litres pcc by 2080 and 15% reduction in leakage by 2025
- More resilience to extreme droughts
- •£28 billion

Water Resources in the South East





How it has informed the dWRMPs

Water Resources in the South East



Informing the WRMP process

- The companies' preferred draft WRMPs contain **19** of the 24 "big ticket schemes" identified by the WRSE
- In total the draft WRMPs deliver 92% of the total volume of water these schemes can provide
- Of this 824 MI/d is new water delivered by supply-side options
- A further 18 MI/d is being saved through demand-side schemes
- There are 9 new transfers:
 - 2 transfers bringing in water from outside the area
 - 2 between companies in the WRSE region
 - 5 within company's supply areas

How the outputs are useful Water Resources in the South East



Specific question: What output could be relevant to inform the London Plan and Local Plans at a strategic level in terms of technical evidence about meeting the projected demand for water, in particular where a resource serves areas beyond its local/regional boundaries?

Answer:

Our future scenarios showing water demand from 2020 to 2080 help show how much, and where the water is needed, and where it may be sourced from the wider south east region

Our assessment of 'prevalent' options show those schemes or infrastructure are commonly selected by our model – indicating they are 'no regret' choices

Forecast utilisation of options also show the timeframe when schemes / infrastructure come into operation

The identification of transfers show the movement of water across the region to relieve particular areas, and what infrastructure built by Company X also help the customers of Company Y

Our regional environmental assessment show where there may be a cumulative impact that needs mitigation

Water Resources in the South East



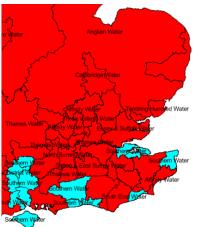
Could we cope with a Cape Town "Day Zero" situation?

The effects of an extreme drought – the country running out of water – will cause potentially irreparable economic and societal damage, particularly in the south east of England and Anglian region



Normal Year
Population affected: 0

How many people would be affected from a progressing drought?



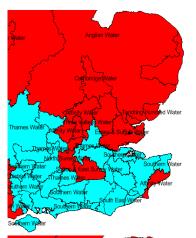
Beyond a 1:200 year drought

Population affected

Affinity Water: 3,615,000 SES Water: 688,000 Anglian Water: 4,592,000 Portsmouth Water: 722,000 South East Water: 2,189,000 Thames Water: 9,883,000

Total: 21.688.000

Given its
creeping nature,
we might only
realise we face
extreme drought
conditions with
only 18 months
before Day Zero



Beyond a 1:100 year drought

Population affected Affinity Water: 3,615,000 SES Water: 688,000 Anglian Water: 4,592,000

Total: 8,894,000



Beyond a 1:500 year drought

Population affected (millions)

Affinity Water: 3.615 SES Water: 0.688 Anglian Water: 4.592 Portsmouth Water: 0.722 South East Water: 2.189 Thames Water: 9.883 Southern Water: 2.493

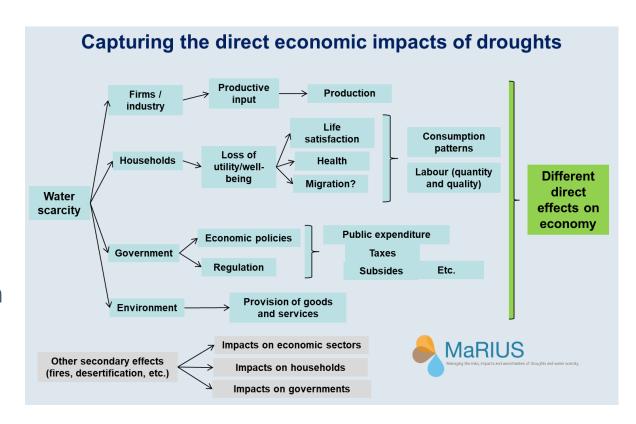
Total: 24.182 million

Water Resources in the South East



We argue that the resilience of the UK to extreme droughts should be based upon the true value of water to society or the economy, not by single water company customers' willingness to pay

We believe the true
value of water needs
to be recognised, and
this means planning
now to minimise the
potentially
catastrophic disruption
to society and the
UK's economy

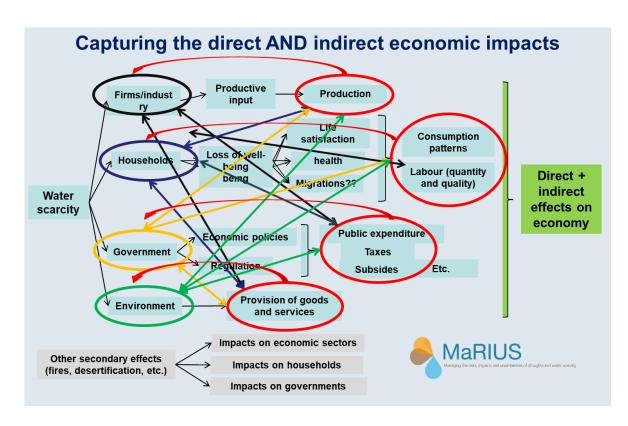


Water Resources in the South East



We argue that the resilience of the UK to extreme droughts should be based upon the true value of water to society or the economy, not by single water company customers' willingness to pay

If we recognise the true value of water, this means planning now to minimise the potentially catastrophic disruption to society and the UK's economy



Water Resources in the South East



Are we prepared for Extreme Drought?

Water companies plan to be resilient to water shortages - up to a severe drought such as that which would occur after **two** dry winters

Water companies are currently not permitted to plan for Extreme Droughts

If need to plan for Extreme Drought now, and adopt a regional approach, this will better balance different stakeholder needs, and ensure risks are adequately addressed and balanced across the area

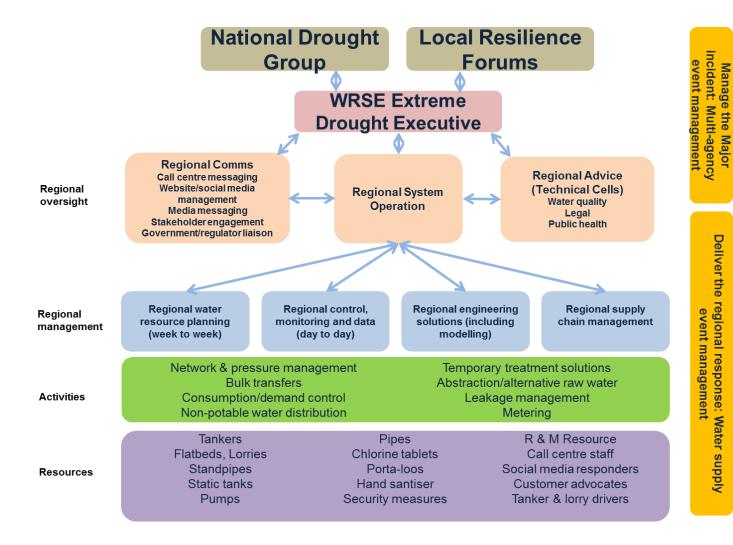
We are actively working on a set of priority actions to drive this forward, which will tackle the fundamental issues uncovered during the Sprint workshop.

We hope to work further with stakeholders to change our water culture so water conservation is considered essential, not discretionary. We want to develop relationships with other sector groups to define their role and gain commitment to the *Regional Extreme Drought Plan*.

Water Resources in the South East



Our proposed Regional Extreme Drought Management Structure



The Future

Water Resources in the South East



We are currently considering evolving the WRSE...

Individual WRMPs alone

Dependent on bilateral transfers

Diluted incentives

Limited options considered

Strategic Environm

Environmental

Assessment (SEA)

carried out at

company level

PAST

WRSE outputs inform WRMPs

Multilateral cooperation

Wider exploration of options

Limited authority to drive into WRMPs

PRESENT

WRSE Regional approach

Power to drive regional decision making

New options and transfers

Uniformity on costs

SEA at regional level

Potential to address a wider range of issues

Independent entity and single regional plan

FUTURE

Water Resources in the South East



Any questions?

Item 3 - Waste in the Wider South East

Paper by

- Ian Blake, chair South East Waste Planning Group (SEWPAG)
- Julie Greaves, chair East of England Waste Technical Board (EoEWTAB)
- Archie Onslow, chair London Waste Planning Forum (LWPF)

Who we are

We are the chairs of the London, South East and East of England waste TABs. The waste TABs are fora at the regional level for waste planning authorities (WPA) to discuss areas of mutual interest, to share information. As part of the Duty to Co-operate, WPAs are in communication with each other about waste flows and waste facilities outside their areas on which they rely. The chairs of the three waste TABs agreed to meet to discuss waste issues relating to the Wider South East in general and the new London Plan in particular. There have been a number of meetings which are also attended by the Environment Agency and the GLA. The GLA also attended each of the Waste TABs twice in the run up to the London Plan which has been helpful. Each group submitted its own response to the draft London Plan.

Previously at WSE OWG

Representatives of the WSE waste TABs came to WSE Officers Working Group on Monday 19 June 2017 to give a presentation. After the discussion, the WTAB representatives were asked to come back to OWG as and when there were strategic waste issues that the OWG ought to know about. The new London Plan means that this is now the case. The draft NPPF requirements concerning statements of common ground will further formalise the way in which WPAs liaise with each other as waste is a strategic matter (if published in current form).

Link to the growth agenda

Waste is a key part of the growth agenda. The new housing and jobs need to be backed up by a range of infrastructure if it is to be sustainable. Such infrastructure includes adequate facilities to manage the waste and recycling from the new development. The location of management facilities for waste and recycling means that many types of waste cross administrative boundaries to be managed at a suitable level and the wider south east is characterised by an interlocking network of waste facilities.

Imports and exports

In the past London used to export much of its waste to landfills in the WSE. This is steadily decreasing and being replaced by increased energy from waste capacity and increased recycling levels diverting waste from the residual treatment stream. Recent figures done

¹ Task 3 Report Strategic Waste Data https://www.london.gov.uk/sites/default/files/task_3 - strategic waste data.pdf

for the GLA for the new London Plan show that in 2016 London imported 3.6 million tonnes (mt) while it exported 10mt to other parts of the UK. Of that 6.4mt is inert construction waste and 3.4mt is household or commercial waste. Export from London is predominantly to the South East and East of England regions.

In 2015, London managed 7.5mt of its own waste and that means that currently London is only 60% net self-sufficient, Because London is a net exporter of waste this means that Duty to Co-operate is an important consideration in London's relationship for waste in the WSE. London needs to take more responsibility for managing its waste, and as such there is concern over potential loss of employment land and brownfield land to other uses in London which could be used for waste infrastructure, which is likely to exacerbate the issues leading to continued export.

The new London Plan maintains the target of net self-sufficiency for waste in London by 2026. This requires London to be able to manage an equivalent tonnage to its waste arisings within its own area. Under net self-sufficiency waste flows still continue in and out of the area. This target covers household and commercial and industrial waste (which are apportioned to boroughs to plan for) and, unlike in the current London Plan, also includes construction, demolition and excavation waste. This approach is supported in principle; however greater consideration needs to be given to forecasting the overall waste movements hidden within the "net" self-sufficiency. Given the size of the movements currently taking place across boundaries, this is likely to continue and waste planning authorities in the WSE need to have a better idea of likely movements in order to be able to plan for facilities. It should be noted that London is currently only 28% net self-sufficient for inert waste and 26% for hazardous waste.

Excavation waste

Among the other targets, there is also a 95% re-cycling target for Construction, Demolition & Excavation waste (CD&E) by 2020. This is a challenging target over a very short timetable. The chairs of WSE waste TABs do not consider London will be able to achieve either the 95% target or net self-sufficiency for the Excavation waste element of CD&E. As a result of the *Methley* decision by the Court of Appeal, the Environment Agency has had to change its regulations covering waste recovery on land. What was previously considered recycling (or reuse) may now be considered landfill and schemes like Wallasea Island in Essex which took construction spoil from Crossrail are now less likely to happen as a result.

Construction and demolition waste would remain within the 95% target. Greater reuse and recycling for these elements will also assist London in importing slightly less aggregates for building the new housing and infrastructure being planned. Currently much of London's excavation waste is exported to landfill sites in the WSE or is used to restore mineral sites. There is very limited landfill capacity left in the WSE area. The availability of landfill in WSE likely to become critical issue as sites fill up and little provision is being made for new ones.

Monitoring and Implementation

The chairs of WSE waste TABs are working with EA and GLA to improve waste data and monitoring of London Plan policies including imports and exports to and from London. This

is essential to enable the proper planning of waste within the WSE going forward. The LWPF produces an Annual Monitoring Report and SEWPAG is also working on an AMR. The new London Plan currently contains no proposed indicators for monitoring waste. All the Waste TABS made comments about this and it is important that the GLA address this.

In helping the WSE TABs understand the content of the Draft London Plan, and the Waste Chapter in particular, support was received from Peter Heath of the GLA. It will be important that such support and cooperation between the GLA and WSE TABs continues to ensure that the Draft London Plan is fit for purpose and is implemented effectively.

Item 4: Barriers to Housing Delivery - Further engagement with Government

<u>Recommendation</u>: OWG note PSG's next steps on tackling housing delivery barriers; and suggest any additional robust 'land value uplift capture' solutions, to consider in shaping WSE PSG proposals to Government.

- 1.1 March's Wider South East Political Steering Group (WSE PSG) discussed next steps on tackling housing delivery barriers. This remains a key priority for WSE partners. In the year to March 2017 London, the South East and East of England saw over 101,000 homes delivered, but there remains a growing pipeline of unimplemented homes with planning permissions. LGA research shows the South East had at least 60,000 unused planning permissions and there were over 40,000 in the East. The GLA's own London database shows 282,000 homes unbuilt in London at the last count- significantly underestimated by LGA's research. Previous WSE analysis extrapolated the differences between GLA and LGA data, increasing the total estimate of unimplemented homes across the WSE to over 510,000. Collectively this holds back delivery of approved growth plans.
- 1.2 PSG has previously focused on three key aspects where further Government action is required to help achieve the step change in housing delivery that ministers and WSE partners want to see and tackle unimplemented permissions:
 - Industry delivery speed, capacity and approach.
 - Affordable housing.
 - Infrastructure.
- 1.3 Prior to PSG, there had been three significant changes related to this issue:
 - New housing minister Dominic Raab appointed in 2018 (replacing Alok Sharma, who in turn had replaced Gavin Barwell following 2017's General Election).
 - Consultation on draft new <u>National Planning Policy Framework</u> (NPPF) and associated guidance in March 2018, with final version expected before summer recess 2018.
 - Preliminary thoughts from Sir Oliver Letwin's review of barriers to housing delivery, published on 13 March. Sir Oliver intends to focus on delivery delays on large sites by major housebuilders, after planning permission has been granted. He believes the fundamental driver of build-out is the absorption rate, ie. how many homes can be sold without disturbing market sale prices. We expect his analytical report to be published shortly, and he may flag other issues that also constrain delivery.
- 1.4 Whilst Government intends the NPPF to help tackle some aspect of housing barriers, PSG felt there was still further action required. It agreed to write to the new housing minister, requesting a meeting to discuss solutions to tackle housing delivery barriers. Recent discussions indicated he is receptive to ideas and indicated Government may be looking at secondary legislation to progress outstanding issues.
- 1.5 PSG agreed it would help to prepare before the meeting to present clear solutions on key issues to Government. It suggested focusing on a single preferred solution for land value uplift capture, as a way to help fund much-needed infrastructure for new homes. It asked WSE officers to investigate and recommend to members one of the schemes that exists at present, for PSG to take forward to Government. The plan is to take this proposal to October PSG, also reflecting on the final published NPPF and any further findings from the Letwin review. Members will write to Government following the PSG with the proposal and asking to meet the minister.

- 1.6 The GLA has recently published a report looking at how land assembly can help deliver more homes. In particular, it highlights how the Mayor should be given greater powers over Compulsory Purchase Orders in London, particularly where developments are at risk of delay. The GLA and TfL have also recently submitted evidence to the HCLG Select Committee inquiry into land value capture. This looks at current methods, new methods and international practice of land value capture, advantages and disadvantages of comprehensive systems of land value capture and at the lessons from past attempts. Findings from this work, alongside other relevant information including the London Finance Commission and submissions to the Select Committee's inquiry will be considered in developing a proposal on land value uplift to take to PSG.
- 1.7 OWG is asked to share information about any other possible robust existing options/proposals for capturing land value, which could be considered in preparing a preferred option for PSG.

¹ Capital Gains: a Better Land Assembly model for London https://www.london.gov.uk/better-land

² http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/housing-communities-and-local-government-committee/land-value-capture/written/82229.html

WSE Officer Working Group 25 June ITEM 6. LONDON PLAN UPDATE

Recommendation: OWG notes the report for information and comment.

Consultation responses

- Wider South East (WSE) partners had the opportunity to inform the London Plan preparation prior to formal consultation, through previous Officer Working Group and Political Steering Group meetings as well as WSE Summits. The draft London Plan **consultation** took place from 1 December 2017 to 2 March 2018. Around 3,000 consultation responses have been received cumulating in over 22,000 individual comments. 50 organisations from outside London took the opportunity to respond, largely districts/boroughs but also ten County Councils as well as some partnership bodies.
- Generally, draft WSE Policies SD2 and SD3 as well as changes that had been made to address early concerns have been welcomed by WSE authorities in their responses. Key issues they raised include:
 - Concerns that London may not meet its ambitious housing and affordable housing target and that it only covers the next 10 years;
 - Conflict with Government's emerging standardised methodology to calculate housing need;
 - Lack of clarity on the responsibility for any short- and longer-term housing capacity shortfall that may arise within London;
 - Need for monitoring and risk management arrangements to ensure infrastructure requirements can be met;
 - No strategic assessment of the London Green Belt to contribute to London's potential growth requirements;
 - Lack of detail on offer to potential willing partners for growth ('what is in it for them'), in terms of support for necessary infrastructure, economic development, etc;
 - Potential locations/partners for growth have not been identified yet;
 - Potential additions to the initial Strategic Infrastructure Priorities, but they should not just be regarded as growth areas/corridors;
 - Need to recognise different circumstances for collaboration including proximity to London ('inner' and 'outer' WSE);
 - Scope of collaboration should be extended covering for example also green infrastructure or biodiversity.
- Several authorities have signalled explicit interest in exploring **how to work together** in their consultation responses. However, as mentioned above, we also understand that many WSE partners continue to be concerned about our approach to collaboration with willing partners. A framework and broad indication for this is set out in the supporting text paragraphs 2.3.4, 2.3.5, 2.3.7 and 2.3.8 in particular.
- In practical terms, the approach means that the GLA will continue to be open to conversations with interested partners in order to explore longer-term collaboration opportunities and agreements tailored to locational circumstances and beyond current Local Plan timescales. This may for example include identifying authorities with strategic longer-term ambitions for growth over and above local need and/or where strategic transport capacity increases are being considered. The GLA would welcome bilateral meetings with such authorities or groups of authorities. Opportunities have for example being discussed

with South Essex authorities. Some opportunities are also arising from the GLA's strategic Duty-to-Cooperate responses to Local Plans outside London, but again, opportunities may not be confined to current Local Plan timeframes.

Support and facilitation by SEEC, EELGA and other regional stakeholders would be welcome, and the GLA will remain transparent about key bilateral meetings with WSE authorities and groups of authorities.

Next steps

- Early Suggested Changes have been drafted by the GLA based on the careful consideration of all consultation responses. They will be publicly available around the end of July alongside a schedule of these changes and all consultation responses in full. In September, we will also make available a new functionality to the consultation database, which will allow stakeholders to search for individual responses per policy. This will clearly improve the transparency of all the responses received. During August / September, we also expect the Inspectors to publish draft Matters and Participants where there will be an opportunity to comment on the draft Matters and Participants. It is also like that we will run Technical Seminars during September.
- An additional OWG meeting during this time would also be a good time to reconvene and discuss our respective positions in advance of the EiP, which is likely to begin in November with Written Representations to be submitted a month in advance. We will certainly have Matter we could focus on as well as the final version of the NPPF and the PPG changes. Discussions during September and at the PSG on 10 October will provide a useful platform to see what we can agree on in advance of the EiP and inform our respective Written Representations.
- We currently expect the **Examination** to take place between November 2018 and March 2019, however, all this is in the hands of the Inspectors. We would then submit the revised Plan to the Secretary of State in Autumn 2019 and aim to publish during the early 2020.
- On request by East of England council members, **Annex 1** with suggested amendments to the 'willing partners' approach is attached. Given the indicative timetable outlined above, the GLA is currently not in a position to comment on or discuss these suggestions. It is recommended that they are for information only. However, the next meeting in September will provide a good opportunity to discuss our respective positions in preparation for the EiP.

1. Introduction

- 1.1. In the East of England response to the draft London Plan, authorities have welcomed the commitment for continued WSE collaboration a range of topics. The East of England has also stated its concerns with regards to the ambiguity of the 'willing partners' approach and seeks clarification on the Mayor of London's intentions for this.
- 1.2. East of England members have asked officers to continue to pursue discussions with the WSE OWG on seeking clarity on the 'willing partners' approach, with a view to agreeing a revised set of wording through the WSE Political Steering Group in advance of the Examination in Public.
- 1.3. East of England officers have drafted some suggested amendments to the 'willing partners' policy and supporting text as set out below. New text is shown by underline <u>thus</u> and deleted text by strikethrough <u>thus</u>. Paragraph numbers have not been changed.

2. Draft amendments

2.1. Policy SD3 Growth locations in the Wider South East and beyond - Willing Partners

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.

Where growth locations beyond London have the potential to make provision for both indigenous and some London housing and business development, the Mayor will work with willing local authority and other partners to support growth to secure mutual benefits. The Mayor will support recognition of these locations in relevant Local Plans beyond London.

- 2.3.1 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**.
- 2.3.2 To ensure a common understanding of growth projections across the wider region the GLA will provide regionally-consistent demographic data, which takes into account long-term trends, and the Mayor will refer to this data as part of his representations on emerging Local Plans.
- 2.3.3 The GLA's new **Strategic Housing Market Assessment** shows that London has a need for approximately 66,000 additional homes a year. The Strategic Housing Land

Availability Assessment suggests that London has the capacity for around 65,000 additional homes a year and the housing targets in this Plan reflect this.

- 2.3.4 Despite this Plan seeking to accommodate the vast majority of London's future growth, some migration will continue. Given the pressure for growth in both London and the WSE, the barriers to housing delivery that need to be overcome to avoid a further increase of the backlog, and potential changes to projections over time, it is prudent to plan for longer-term contingencies. There may be opportunities at specific strategic growth locations beyond London where the scale of the opportunity is such that there is potential for growth to meet both indigenous housing and business needs and a proportion of those of London. Therefore, the Mayor is interested in working with willing partners beyond London to explore the potential of such locations if there is potential to accommodate more growth in sustainable locations outside the capital.
- 2.3.5 This **partnership work** could help deliver more homes, address housing affordability and improve economic opportunities outside London. The focus is would be 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. Recognising that investment in public transport can often bring significant benefits to wider areas, such partnerships could focus on optimising rail capacity between London, the wider region and beyond. Another area of focus could be proposals for new/garden settlements with good links to London. Government has already indicated support for a similar approach. The Mayor could help to investigate and secure mutually beneficial infrastructure funding to unlock these opportunities.
- 2.3.6 Figure 2.15 shows London in its wider regional setting. 13 WSE **Strategic Infrastructure Priorities** have been endorsed by the WSE partners for initial delivery. Eight of these are radial priorities that connect directly to Growth Corridors within London. The remaining five are orbital priorities that can help reduce transit through London and stimulate the WSE economy beyond the capital. Some of these orbital priorities may have more capacity to accommodate additional growth than the radial ones.
- 2.3.7 Collaboration with willing partners can help alleviate some of the pressure on London while achieving local ambitions in the WSE for growth and development, recognising that this may require further infrastructure. The Mayor will work with key willing partners, including local authorities, Local Enterprise Partnerships, the National Infrastructure Commission and Government, to explore strategic growth opportunities where planning and delivery of strategic infrastructure (in particular public transport) improvements can unlock development that supports the wider city region.
- 2.3.8 It will be important to ensure that growth in the WSE contributes to local vibrancy and economic activity at all times of the day and week, and that the scale of planned growth is proportional to public transport capacity in the area. Where appropriate, the Mayor will support for example Memoranda of Understanding to formalise partnership agreements/commitments between relevant authorities. Work with some individual authorities and groups of authorities in the WSE has been initiated and is being pursued further. The Mayor continues to encourage authorities outside London to become willing partners and work with the capital on opportunities for growth, where mutual interest can be achieved.