Strategic Spatial Planning Officer Liaison Group

Second meeting to be held on Friday 6th June, 2014 at 2pm at City Hall, Queen's Walk, London.

<u>Agenda</u>

1 Apologies

2 Agreement of the notes of the 7th March meeting

3 Actions/new items for consideration by the group (all)

4 FALP update – (Richard Linton)

5 Discussion about demographics (Ben Corr)

6 Discussion about Housing delivery issues and tools (John Lett)

7 London Infrastructure Investment Plan 2050 – update (Jeremy Skinner, GLA)

Next Meeting: 26 September 2014, 2pm at City Hall

Strategic Spatial Planning Officer Liaison Group

Second meeting to be held on Friday 6th June, 2014 at 2pm at City Hall, Queen's Walk, London.

Working Group members (at 6/6/14)

Richard Linton	GLA (Chair)
John Lett	GLA
Lee Searles	Secretary
Sue Janota	Surrey County Council
Jack Straw	Surrey Planning Officers Association/Mole Valley DC
Paul Donovan	Hertfordshire County Council
Des Welton	Hertfordshire Planning Officers Group Co-ordinator
Matthew Jericho	Essex County Council
Gary Guiver	Essex Planning Officers Group/Tendring DC (sub Claire Stuckey, Chelmsford BC)
Richard Hatter	Thurrock Council
Tbc	Buckinghamshire County Council
Alison Bailey	Buckinghamshire Planning Officers Group/South Bucks DC
Andrew Roach	Kent County Council
tbc	Kent Planning Officers Group
Carolyn Barnes	Bedford Borough Council
Bev Hindle	Berkshire Heads of Planning Group/Bracknell Forest BC
Tara Butler	South London Partnership/LB Merton
Steve Barton	West London Alliance/West London Planning Policy Group/LB Ealing
Steve Walker	Environment Agency
Nick Woolfenden	South East England Councils
Cinar Altun	East of England LGA
tbc	London Councils

DRAFT Notes of first meeting of the Strategic Spatial Planning Officer Liaison Group

Friday 7th March 2014 at GLA, City Hall, London

Present

Richard Linton, GLA (Chair)
John Lett (GLA)
Hermine Sanson (GLA)
Jorn Peters (GLA)
Lee Searles (Secretary)
Sue Janota, Surrey County Council
Jack Straw, Surrey Planning Officers Association/Mole Valley (Vice- chair)
Paul Donovan, Hertfordshire County Council
Des Welton, Hertfordshire Planning Officers Group Co-ordinator
Matthew Jericho, Essex County Council
Claire Stuckey, Essex Planning Officers Group/Chelmsford BC
Richard Hatter, Thurrock Council
Alison Bailey, Buckinghamshire Planning Officers Group/ South Buckinghamshire DC
Adam Reynolds (for Andrew Roach), Kent County Council
Tania Smith, Dartford Borough Council
Steve Barton, West London Alliance/West London Planning Policy Group/LB Ealing
Steve Walker, Environment Agency
Nick Woolfenden, South East England Councils
Cinar Altun, East of England LGA

Apologies

Tara Butler, South London Partnership/LB Merton

Members still to be confirmed

London Councils
Buckinghamshire County Council

DECISIONS RELATING TO THE ESTABLISHMENT OF THE GROUP

Chair of Group - Richard Linton from GLA was confirmed as Chair of the Group.

Vice Chair of Group - Jack Straw from Surrey Planning Officers Association/Mole Valley DC was appointed as Vice-Chair.

Terms of Reference - The terms of reference were agreed subject to the addition of the following clause 'Provide a mechanism for informal officer level consultation and discussion, without replacing formal consultation and co-operation mechanisms, on issues raised by the Duty to Co-operate.

Webpage - It was agreed that GLA will set up a webpage to store notes and information about the group.

Membership - All members of the group are asked to consider representative gaps and forward suggestions to Richard Linton and Lee Searles.

Group title - It was agreed that the group's title will make clear that it is an officer liaison group.

Scope and ways of working - The scope and ways of working of the group were agreed subject to the following amendments:

- With reference to the group's scope of activities (4th bullet) this was amended to read 'Be an informal conduit for consultation between local authorities and others on particular technical issues.'
- With reference to agendas (1st bullet) 'six weeks prior to each meeting, a call for agenda items will be made.'
- Also on agendas (3rd bullet) 'Each agenda will be despatched no later than two weeks prior to the meeting'

Forward Calendar - The calendar of forward meetings was agreed. A date for the September meeting will be agreed later, once the timetable for the FALP EIP is clearer (now confirmed for 26 September, 2pm). Potential items to be discussed at the forthcoming meetings were identified:

- Infrastructure Plan (June) – Invite a member of the GLA business policy team, Circulate the progress report to the group (done), and use June meeting to contribute to the development of the July draft of the Infrastructure Plan.
- EIP feedback (September)

Waste issues – It was agreed that the London RTAB is the appropriate mechanism for the consideration by officers of strategic waste planning issues.

DISCUSSION ITEMS AND DECISIONS

FALP Update

Richard Linton gave a verbal update on issues arising from the FALP consultation. The slides from the 31 January FALP consultation event were distributed. Ahead of the 28 March 2014 wider South East FALP consultation event, GLA (Jorn Peters) have invited all counties and districts in the areas surrounding London.

Retail trends - FALP's coverage of retail planning issues raises some interesting issues. Reports for GLA on retail highlight a number of trends:

- Rise of internet shopping
- Lower disposable incomes
- Slower growth in retail space requirement

- Relative health of small and large centres, with impacts on mid-sized centres (district centres) – there is a focus on expanding their roles.

Industrial land release – there is a managed benchmarked release. Monitoring is showing a higher rate of release, leading to pressure industrial land.

Housing - The most significant issue being raised through FALP consultation responses so far relates to the uplift in Borough housing targets and mechanisms for identifying additional housing potential through increased densities in opportunity areas and town centres.

In discussion, the issue of confidence over the ability of boroughs to meet their housing targets was raised. For example, in West London, sites regarded as marginal and which require significant public investment to deliver, are now included within targets.

The GLA's demographic projections raise uncertainty over long term population and migration trends from London. The GLA wrote to Bedford Borough Council in response to its consultation with GLA on the development of its local plan. Its letter alerted the council to information on the application of different demographic projections which GLA believes might need to be taken into account in developing its plan.

Concern was raised by some group members over how such information should be interpreted at district council level in terms of implications for local housing provision. Concern was expressed over how FALP has not addressed options for dealing with the shortfall in London housing provision arising from the projections, for example through release of Metropolitan Greenbelt.

The existence of options within the GLA's Integrated Impact Assessment for FALP was referred to. RL made the point that there is uncertainty over the durability of recent trends in lower migration from London, experienced during the recession. Also, FALP has set out a number of ways in which housing provision will be increased, including higher densities in Opportunity Areas and town centres. However, these need to be consistent with neighbourhood character and the maintenance of appropriate space standards. It has been made clear that FALP offers a robust short/medium term response and the best longer term direction of travel based on available information, but a fuller one will be made with the next full review of the London Plan. By then, the picture should be clearer on demographic projections.

The issue of housing delivery in the context of the GLA research report 'Barriers to Delivery' was discussed and it was agreed that that this should be discussed at the next meeting of the group.

ACTION - It was agreed that the group should seek to create a shared understanding and agreement about the demographics at play during this period and of how they could be dealt with in local plans and the London Plan.

ACTION - It was agreed to invite demographer Ben Corr from GLA to the next meeting, to discuss the methodological developments of CLG data undertaken to inform FALP.

ACTION – Discuss 'Barriers to Delivery' and options for improving housing delivery at the next meeting.

London Infrastructure Investment Plan 2050

A presentation was given on the key elements of the work of the business team within GLA on the development of the plan. A progress report will be published at the end of March (done), leading to further engagement and publication of a draft plan in the Summer. The final plan is expected to be agreed in the Autumn of 2014. It is anticipated that the plan will inform a future full review of the London Plan. Whilst FALP does not require an implementation plan, GLA has prepared one and will review it regularly once the Infrastructure Plan (IP) is finalised.

The infrastructure plan will examine strategic infrastructure needs over the long term, unconstrained by shorter term planning considerations. It will set out infrastructure needs and their cost, funding opportunities by infrastructure type and opportunities for funding contributions.

The group asked whether there will be spatial implications arising from the IP and how they will be quantified in terms of the predicted scale of growth and the different spatial options.

The importance of investment in infrastructure outside London's boundaries to support London's growth was raised as an issue on which it will be important for the group to input.

ACTION- It was agreed that the Infrastructure Plan should be included as a full discussion item on the agenda of the next meeting in June, as an opportunity to contribute to the draft plan being published later in the summer.

ACTION - The progress report will be circulated to the group.

Other issues

A number of transport issues were raised as of interest and relevance to the group:

- Route based strategies.
- Major infrastructure and the gap between nationally funded projects and those funded as major schemes. This will be addressed at a later meeting.
- Wider South East Commuting Study – GLA is considering an update to this study undertaken in 2004.
- Strategic Economic Plans – There would be benefit in pulling together the main transport proposals from relevant SEPs.

ACTION – Timetable meeting at which major transport infrastructure should be discussed.

ACTION – Pull together information from SEPs about major transport schemes.

ACTION - A fuller discussion of Strategic Economic Plans will be timetabled for a later meeting, including growth areas and LEP housing ambitions and timescales

Strategic Spatial Planning Officer Liaison Group

Second meeting to be held on Friday 6th June, 2014 at 2pm at City Hall, Queen's Walk, London.

Calendar of Meetings - key issues to be considered and actions

As outlined, the group will meet four times each year, with dates as follows:

Date	Potential items (to be logged as they arise)	Done?
7th March 2014	Shared understanding about demographic trends and their influence on housing requirement, with Ben Corr from GLA.	On agenda for 6 June 14
	Discussion about 'Barriers to Delivery' and options for improving delivery	On agenda for 6 June 14
	Discussion about infrastructure plan	On agenda for 6 June 14
	Strategic discussion about transport infrastructure to be undertaken at later meeting, in context of SEPs	
6th June 2014		
26th September 2014		
5th December 2014		
6th March 2015		

Further Alterations to the London Plan

Consultation issues

South East England Councils 3.6.14

London's 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’s housing requirements

- CLG currently suggests c53,000 more households pa to 2021(cf 34k)

BUT

- Is this a realistic basis for planning?
  Outdated hhld 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 hhld projection (40k); backlog of need (10 or 20 yrs); other factors eg second homes = 49-62k pa

Bridging the London demand/supply 'gap'

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

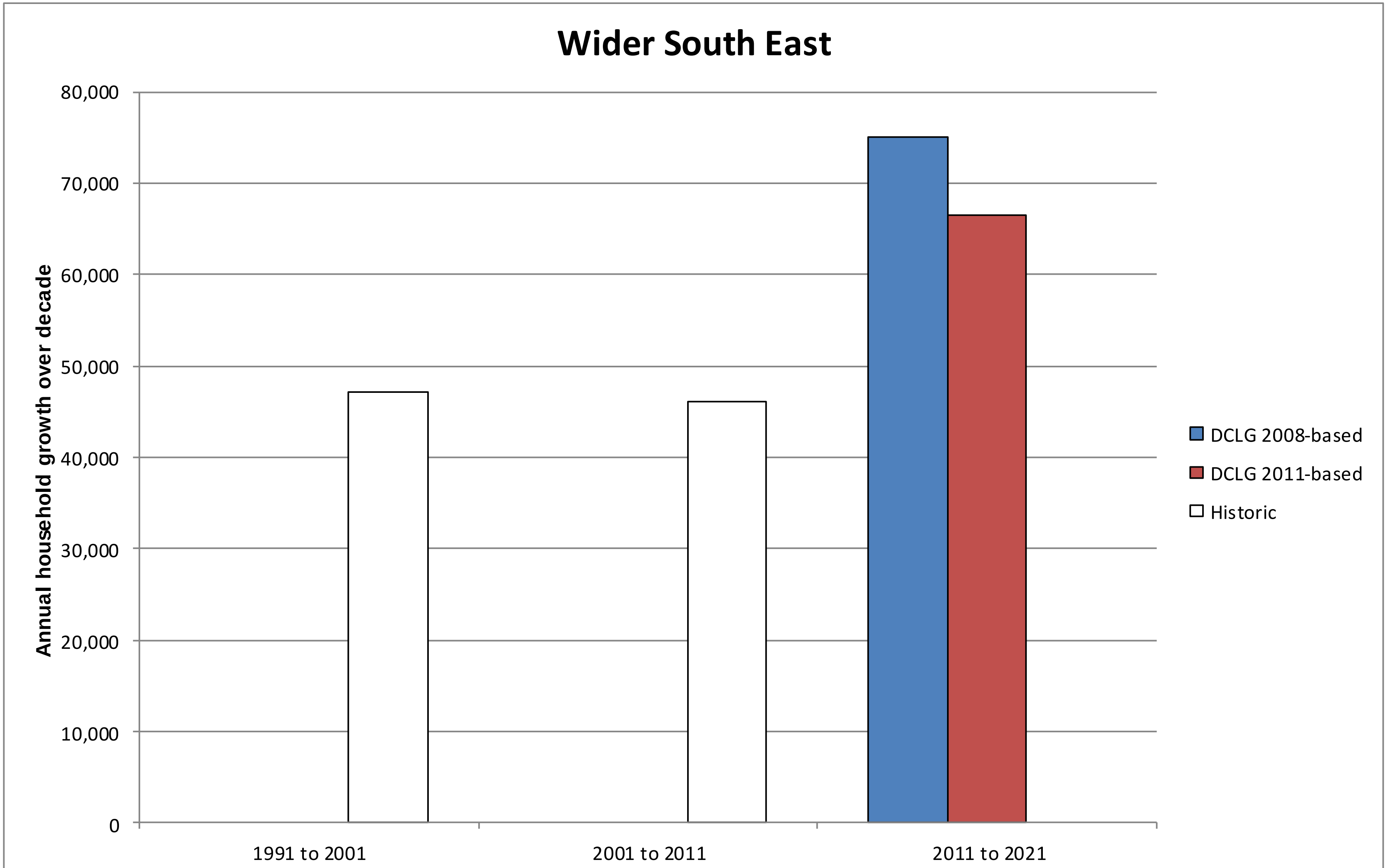
- Still leaves a 'gap': (49k/62k pa demand) – (42k pa supply)
  = -7k/-20k pa

- Bridging the gap <u>within</u> London: additional higher densities in:
  - -Opportunity/Intensification Areas
  - -Mixed use, housing led, town centre redevelopment
  - -Surplus industrial land around transport nodes

- Capacity to completions: the need for realism
  - -216k in the pipeline but only 25k pa completions

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

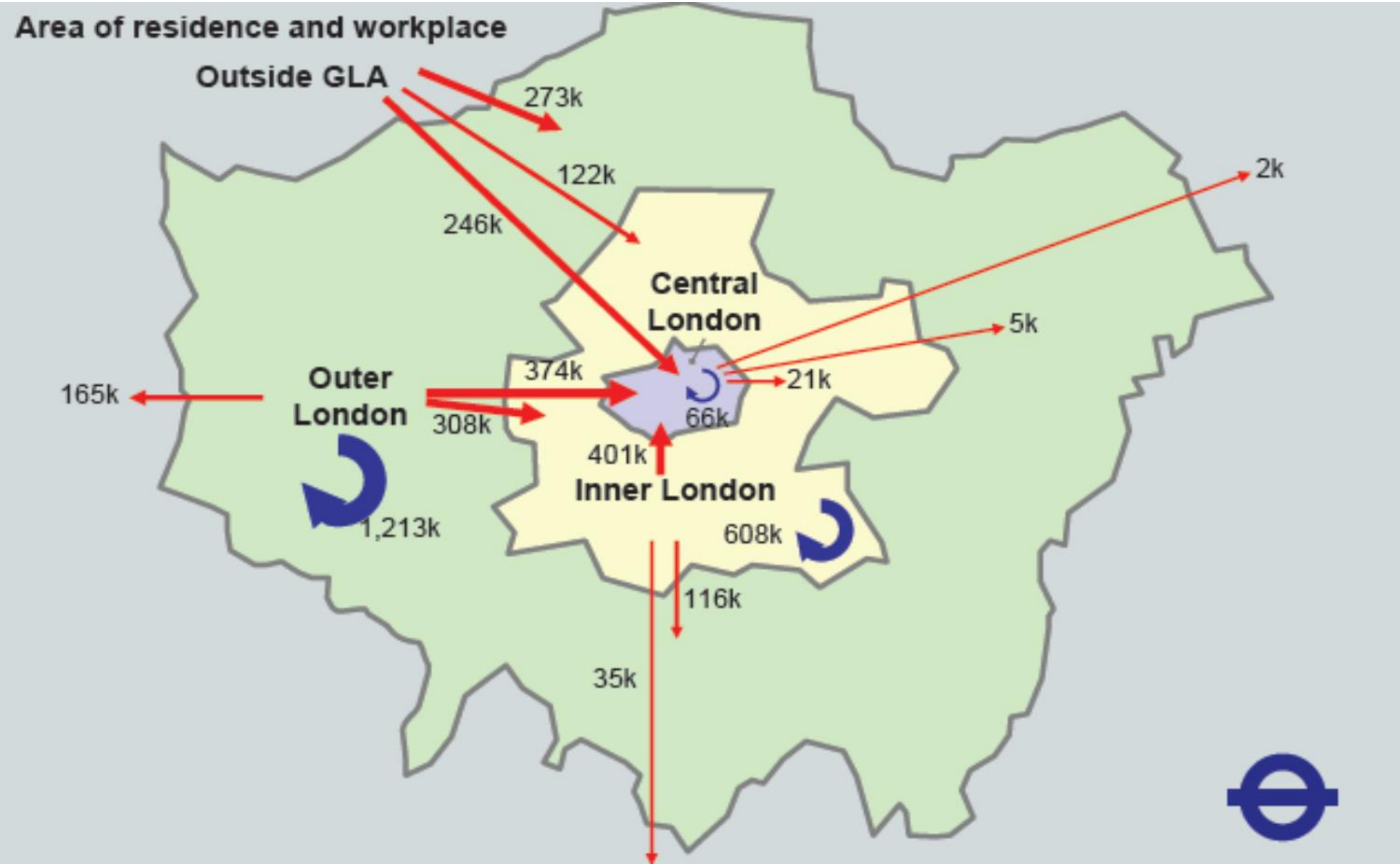
Recession reduced out-migration: impact on wider SE housing demand?



Current demand and supply in the Greater South East (CLG)

	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

Commuting flows

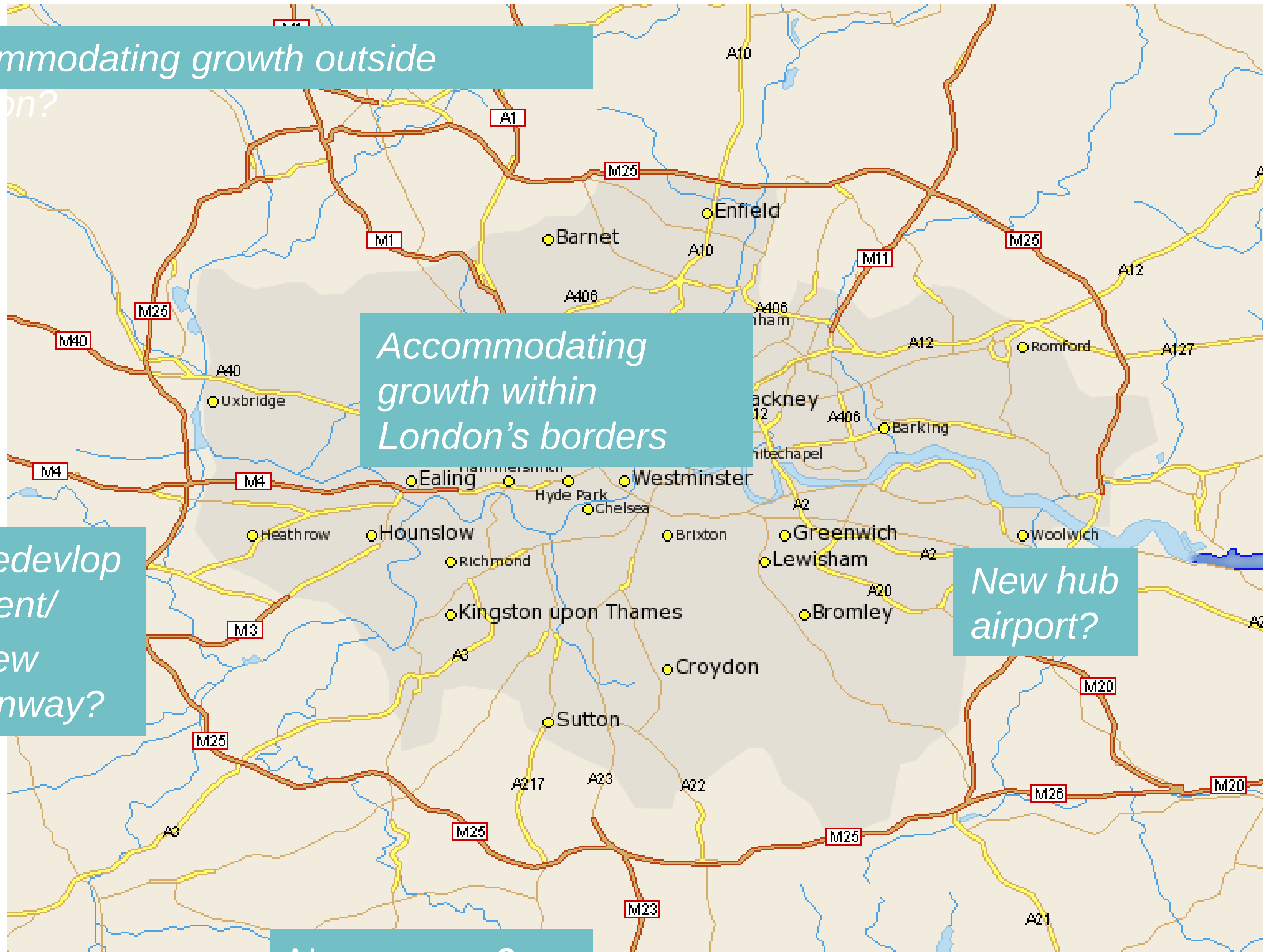


Key consultation issues from the wider SE i

- London isn't meeting its needs: *it can up to at least 49k pa and until 2025. The problem is if demand increases more, and for the longer term – and translating approvals into completions*

- London hasn't done a Green Belt review: *at present this isn't necessary. We're looking at a range of different options through the 2050 Infrastructure Plan and will start a full review of the Plan in light of these.*

Emerging 2050 Infrastructure Plan scenarios



Accommodating growth outside

on?

Accommodating growth within London's borders

Redevlop ment/

New runway?

New hub airport?

New runway?

Key consultation issues from the wider SE ii

- London won’t meet its affordable housing needs (17k supply, 26k ‘need’): *this is a minimum target. The solution is to build more homes overall. And like authorities in the wider SE, London isn’t an ‘island’….*

- FALP doesn’t plan for adequate infrastructure across London and the wider SE: *it is anticipating HS1 and Xrail 2. The 2050 Infrastructure Plan will explore options for the longer term and a full Plan review.*

Key consultation issues from the wider SE iii

- Uncertainty in London planning makes planning outside London uncertain: *FALP does meet need until 2025, but under the ‘Duty to Inform’ it is prudent to advise of uncertainty*

- What happens if FALP is ‘unsound’? *FALP is realistic, transparent and well evidenced. Government hasn’t objected to the basic approach.*

Key consultation issues from the wider SE iv

- The Mayor should be bound by the Duty to Cooperate: *in practice his Duties to Consult and Inform are very similar*

- Better understanding of common issues: *officer level working already established – detailed programme of issues. GLA will assist in translating ONS 2012 population projections into households. Consultation on the 2050 Infrastructure Plan*

FALP timetable

- Early June Inspector’s draft ‘Matters’
- 25.6 Wider SE Duty to Inform/Consult event – consultation issues
- Early July Inspector’s final ‘Matters’ and Technical Seminar
- 1st September (3 weeks?) EIP
- Mid November ‘Intend to Publish’ FALP to SoS
- Early January 2015 ‘Intend to Publish’ FALP to Assembly
- Feb/March 2015: final publication

Thoughts?

Update on Demographics

Strategic Spatial Planning Officer Liaison Group

6th June 2014

Ben Corr

Intelligence Unit

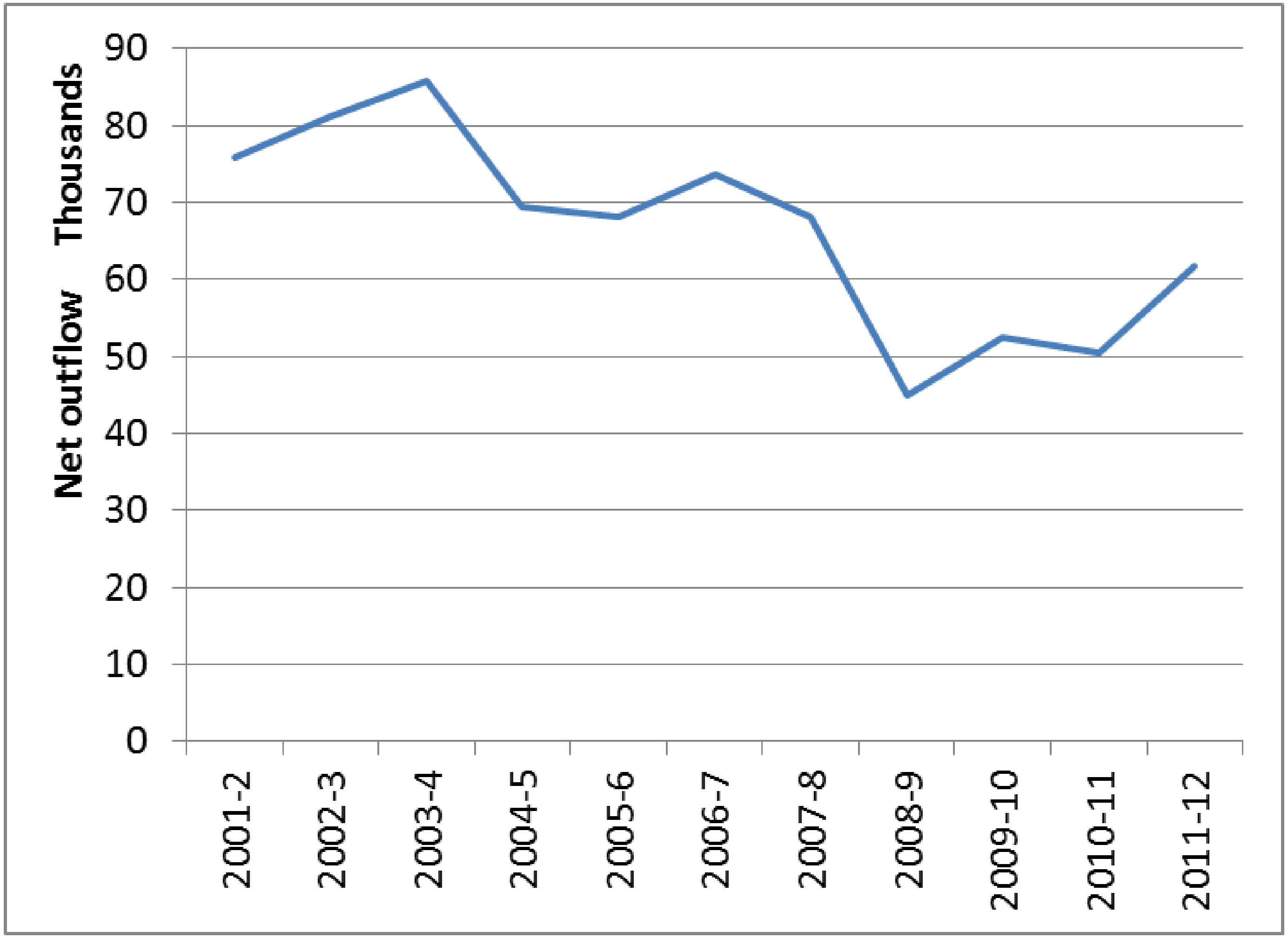
Demographic uncertainty

- Domestic migration
- What is ‘normal’ migration?
- Sensitivity of projections to assumptions
- GLA projection scenarios
- Household projections

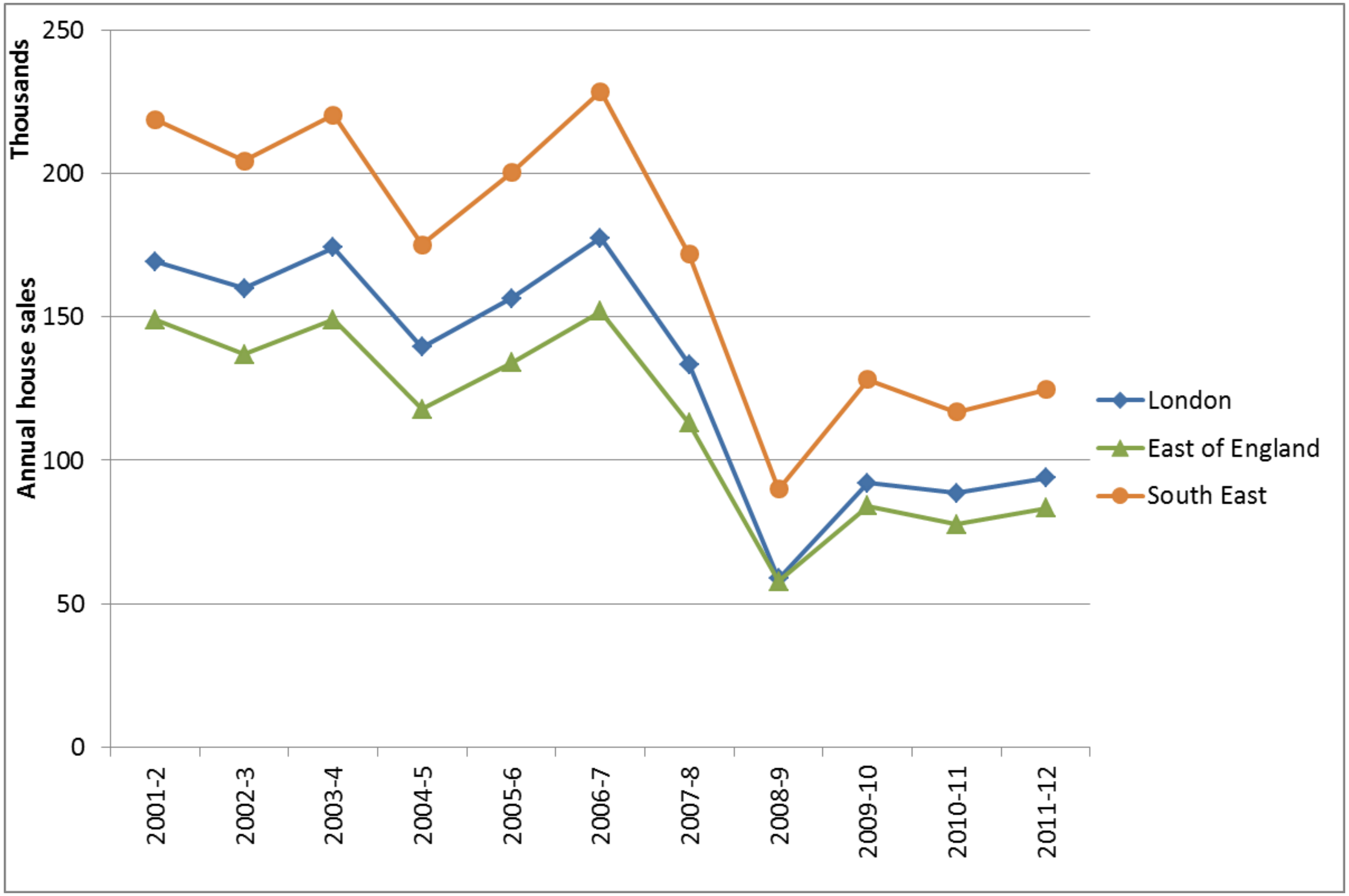
Demographic Uncertainty

- Arises primarily from uncertainty in future domestic migration patterns
  - Related uncertainty in age structure
- Recent trends heavily influenced by financial crisis
- Impact of economic recovery unknown
- Situation further muddied by unsound 2011-interim projections

Net outflows from London to ROSE



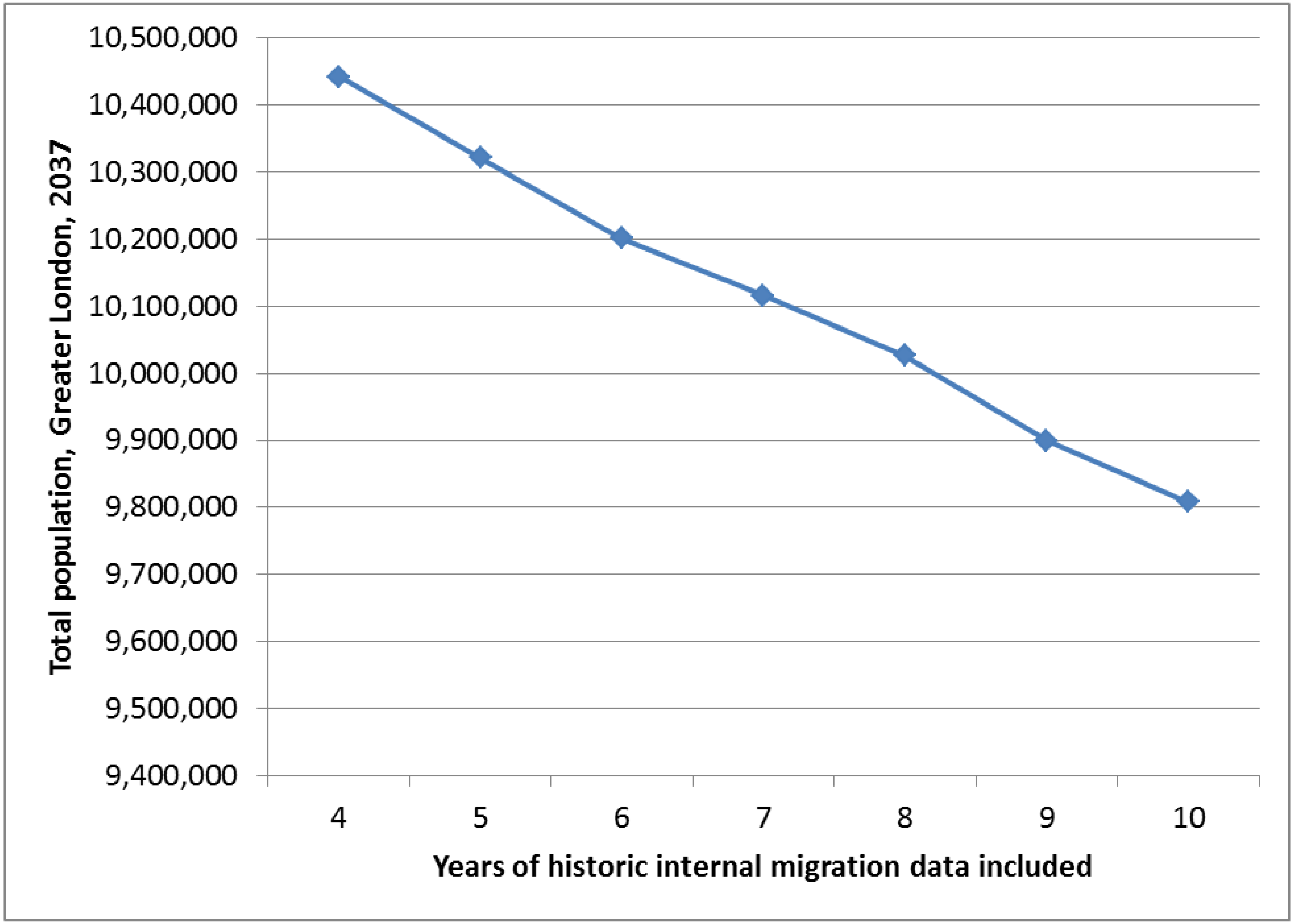
Annual house sales in south east



Modelling issues

- ONS assume last five years to be typical
- Projections are very sensitive to which years are used to establish future migration patterns
- Changing from five-year to ten-year back-series -> 500,000 difference in projected London population
- Impact on ROSE probably of that order of magnitude

Sensitivity testing results



GLA projection scenarios

- GLA variants produced using three different domestic migration “recovery” scenarios
- Based on hypothetical post-2017 economic recovery and effect on domestic migration

GLA projection scenarios

Range of views on impact of recovery:

- It will have no effect; the changes are structural and here to stay
  - London has adapted to increasing numbers of families staying in recent years and has become a more attractive place to raise children as a result
- Migration patterns will revert to pre-crash norms
  - The changes in migration are entirely transient and due to problems in the housing and job markets - once these are resolved migration will return to pre-crisis patterns

GLA projection scenarios

High – migration propensities based on recent 4 year patterns for duration

Low – after 2017, out-migration increases by 10%, in-migration falls by 6%

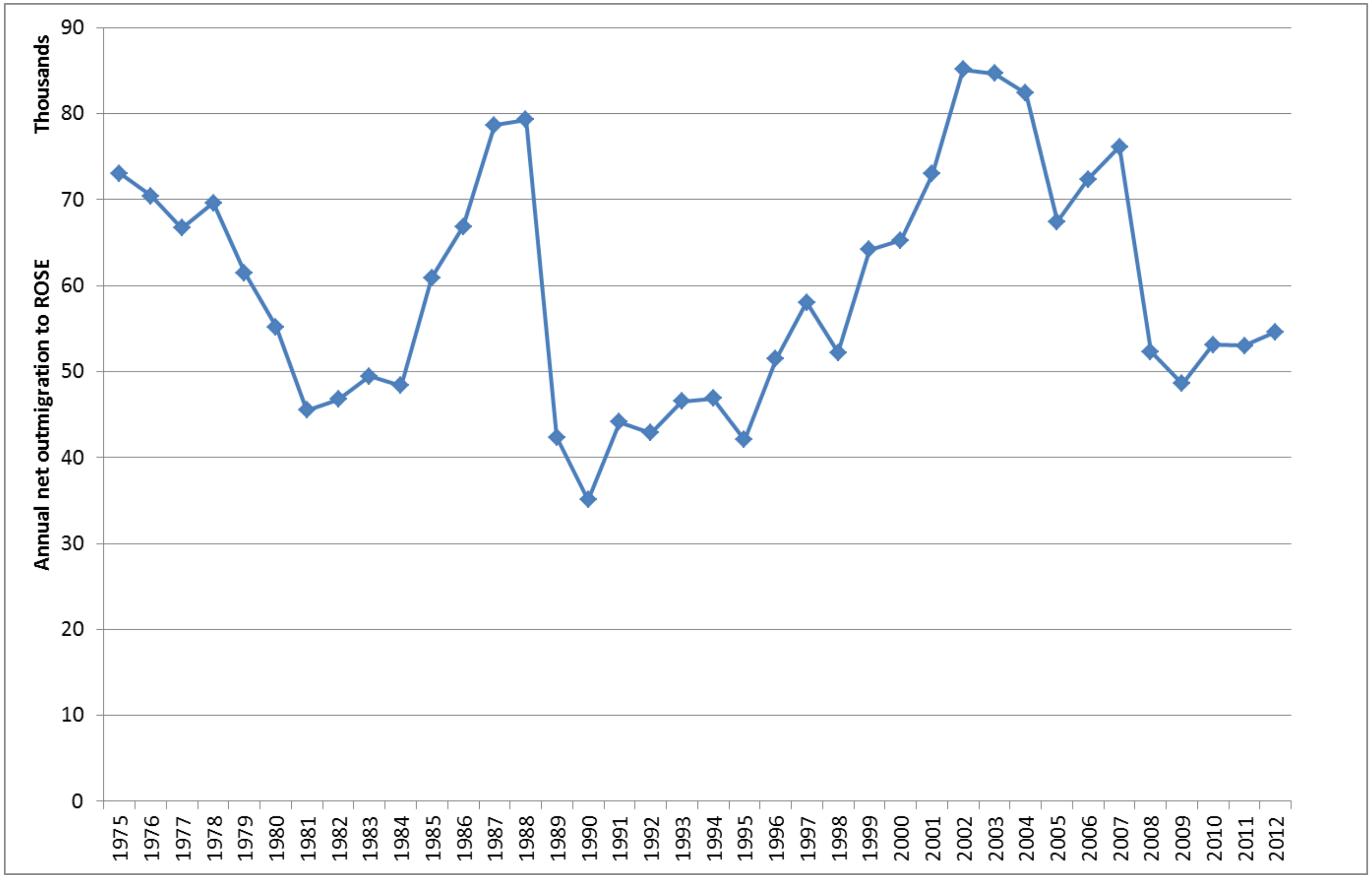
Central– after 2017, out-migration increases by 5%, in-migration falls by 3%

What is ‘normal’ migration?

- If second half of last decade abnormal, what about first half?

Long term migration trends

- Net outmigration to ROSE



What is ‘normal’ migration?

Net outmigration to ROSE*:

- 5-year average – 44k
  - As used in ONS 2012-based SNPP
- 10-year average – 68k
- 38-year average – 59k

*Based on ONS estimates prior to addition of HESA component – will not align perfectly with updated official figures

What is ‘normal’ migration?

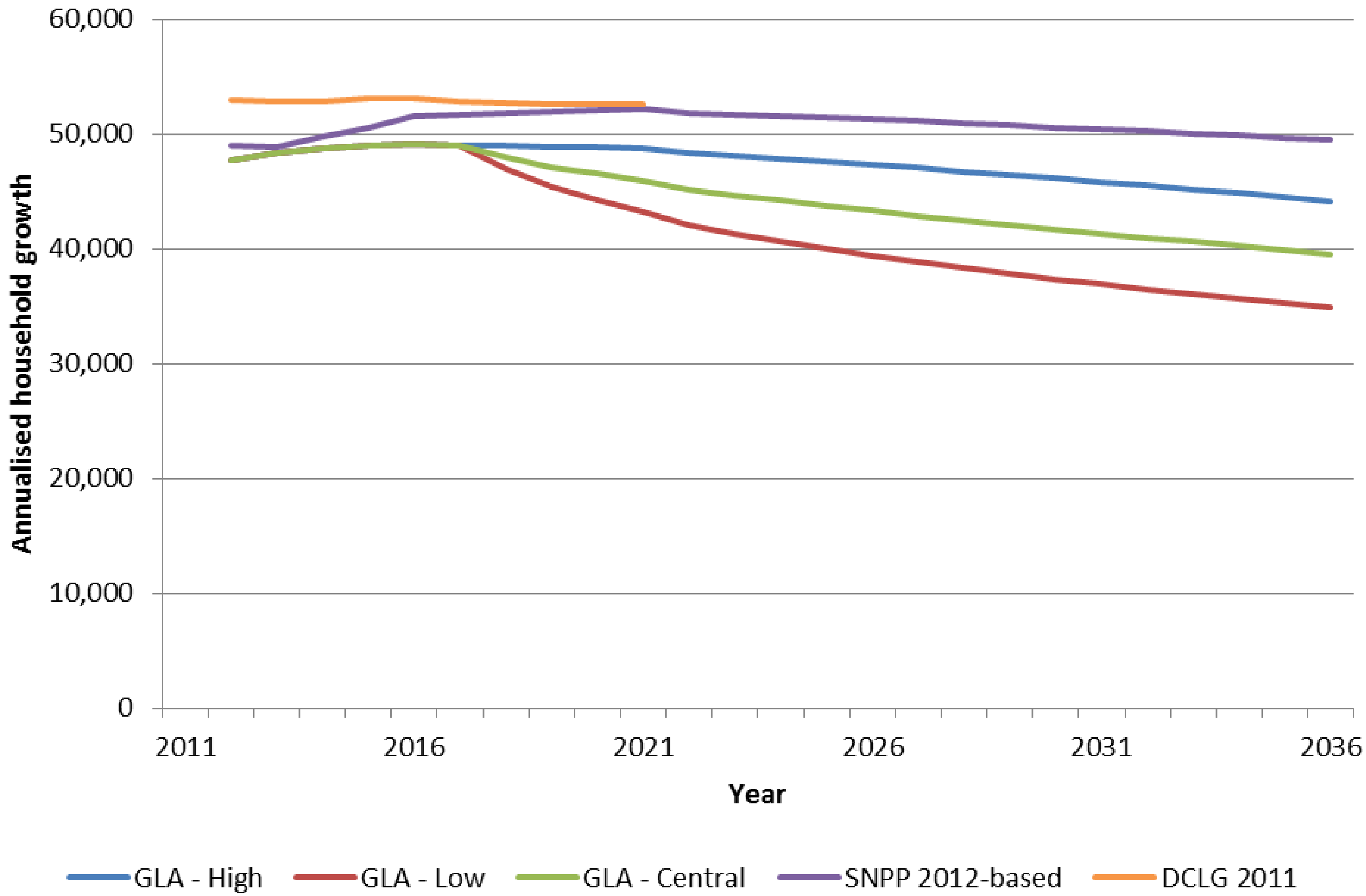
- Large range of plausible scenarios
- ONS projection assumes the extreme low end
- GLA have been lobbied ONS for variant using longer period of domestic migration trends

- *“We do not have sufficient evidence to suggest that using additional years of migration data will make the migration trend more robust. However, ONS will consider whether it is possible to publish variant subnational population projections later this year.”*

Household projections

- DCLG 2012-based household projections not due until autumn 2014
- Can use 2011 HH model to create set of projections based on 2012-based SNPP
- GLA intends to do same for ROSE districts
  - Shall distribute when ready

Household projections



Variants

- GLA hopeful that both variant ONS population and DCLG household projections will be produced
- DCLG household projections scheduled for autumn 2014
- No indication of when variant population might be produced
- Estimated impact on annualised household growth likely to be ~10k pa

See also

- http://data.london.gov.uk/datastorefiles/documents/GLA-SNPP-consultation-response.pdf
- http://data.london.gov.uk/datastore/package/ons-2012-based-subnational-population-projections
- http://www.london.gov.uk/sites/default/files/FALP%20SHMA%202013_0.pdf

Contact

Ben Corr

ben.corr@london.gov.uk

Barriers to housing delivery

Barriers to housing delivery in London: the issues

- Meeting housing need : 49,000 pa
- Supply: even in a ‘good’ year completions not much more than 30,000. Long term average, 25,000 pa

- BUT London has capacity to meet need: an ‘identified’ supply target of 42k pa; new policy for more through higher density dev in Opp Areas, Town Centres, surplus industrial land near stations and other big sites and 216k approvals in the pipeline;

So what is constraining output?

Received wisdom: it’s the ‘planners’…

Thus…. GLA commissioned independent market perspective on the barriers to housing delivery (and is doing an update)

Emerging implications of the barriers to delivery project: general messages (1)

Constraint? What constraint?

- Consultants report private sector construction activity close to pre-slump peak (others less sanguine, but same direction of travel)
- Public sector output will accelerate as new funding round kicks in

Emerging implications of the barriers to delivery project: general messages (2)

And the pipeline is adequate?

- Actually, no: nearly half capacity is controlled by firms that don't build
- And local market absorption for those that do is a lot less than previously thought: only c80 pa on big sites

Emerging implications of the barriers to delivery project: general messages (3)

And even the 'builders' face issues:

- Non balance sheet funding: debt availability bigger problem than cost?
- Capacity within the industry: large scale output dependent on relatively few big players (17), and v few new entrants
- Small scale builders badly hit by recession (and small (LT 10 dwell sites) = c25% of capacity)

Emerging implications of the barriers to delivery project: general messages (3)

And 'the planners' <u>are</u> a problem (but not the biggest):

- Lack of certainty in the planning process: stop changing the rules…
- In recent economic circs, cumulative impact of historic planning requirements now difficult to sustain
- Historic delay in getting pp
- Now also got tortuous pre-apps
- 'Idiosyncratic' local requirements…
- Labyrinthine 'viability' negotiations
- Need a one stop shop task force to expedite delivery

Emerging implications of the barriers to delivery project: for individual sites

- Market perspective on 'public sector' constraints on delivery from a sample of individual sites: basis for initial GLA working with all partners
- Actions from the GLA group: housing investment, transport, economic development, planning
- Coordinated actions with boroughs and other bodies eg Environment Agency
- Possibility of government mediation resources
- Now rolled out/mainstreamed beyond the case studies

Questions?

DRAFT Notes of second meeting of the Strategic Spatial Planning Officer Liaison Group

Friday 6th June 2014 at GLA, City Hall, London

PRESENT

Richard Linton, GLA (Chair)
John Lett (GLA)
Darren Richards (GLA)
James Gleason (GLA)
Jeremy Skinner (GLA)
Jorn Peters (GLA)
Ben Corr (GLA)
Chris Hyde (TfL)
Lee Searles (Secretary)
Tara Butler, South London Partnership/LB Merton
Sue Janota, Surrey County Council
Paul Donovan, Hertfordshire County Council
Matthew Jericho, Essex County Council
Claire Stuckey, Essex Planning Officers Group/Chelmsford BC
Richard Hatter, Thurrock Council
Alison Bailey, Buckinghamshire Planning Officers Group/ South Buckinghamshire DC
Tania Smith, Dartford Borough Council
Steve Barton, West London Alliance/West London Planning Policy Group/LB Ealing
Steve Walker, Environment Agency
Nick Woolfenden, South East England Councils
Carolyn Barnes, Bedford Borough Council
Simon Keal, London Councils
James Cutting, Suffolk Planning Officers Group/ Suffolk County Council
Bev Hindle, Berkshire Heads of Planning and Transport/ Bracknell Forest BC
Ted Beresford-Knox, Gatwick Diamond/ West Sussex Planning Officers

APOLOGIES

Des Welton, Hertfordshire Planning Officers Group Co-ordinator
Cinar Altun, East of England LGA
Jack Straw, Surrey Planning Officers Association/Mole Valley (Vice-chair)

NOTES OF 7TH MARCH 2014

1. The notes of the last meeting were agreed.

ACTIONS FROM THE LAST MEETING

2. All actions, except a review of Strategic Economic Plans to inform a discussion by the group, have been implemented and reflected on the meeting agenda for 6th June 2014.

3. **ACTION – Prepare a review of Strategic Economic Plans for the next meeting of the group, to include transport and housing ambitions in particular (LS).**

MATTERS FOR CONSIDERATION BY THE GROUP AT A FUTURE MEETING

4. **Strategic Reviews of Green Belt Land** – There are a number of issues relating to local authorities' ability to review their green belts as part of development plan processes, within the context of debates and research about how much contribution should be made to housing supply from green belt releases. Individual local authorities have not, on the whole, been successful in carrying through green belt releases into adopted local plans. Within London, a range of policy mechanisms have been adopted by the London Plan and are proposed within FALP to set targets and ensure that brownfield land and other land in opportunity areas and town centres can be utilised at higher densities to meet identified need.

5. That said, it is acknowledged that the issue of the contribution of the green belt to meeting housing needs could usefully be explored as one option for the longer term if population growth continues.. For London's part, a full review of the London Plan from about 2016 will be informed by scenarios for the 2050 Infrastructure Plan which may investigate possible Green Belt release.

6. **Growth/Co-ordination Corridors** – The role and status of London Plan growth corridors is not being reviewed through FALP (London Plan Policy 2.3 is unchanged). The group felt that, ahead of a full review of the London Plan in a few years' time, there should be an opportunity to discuss the role of the corridors, their status, support for them outside London, and implementation. This will provide an early opportunity to review the success of the growth corridors, identify issues which need to be addressed in a full review of the London Plan, and establish a range of action required to successfully deliver growth within London and the wider South East.

7. **Duty to Co-operate mechanisms** – the group should review the range of formal co-operation mechanisms being used by local authorities in London and the wider south east as a way of considering good practice and exploring how specific issues can be best dealt with in terms of the duty.

8. **ACTION – Organise for items on green belt, growth/co-ordination corridors and formal duty to co-operate mechanisms to be considered at future meetings of the group (LS).**

FALP UPDATE

9. All 323 responses to the FALP consultation are now on the GLA's website. A further consultation/update meeting with local authorities from the wider south east has been organised for 2-4pm on 25th June at City Hall. This will cover issues arising from the FALP

consultation, demographic projections with a focus on migration, economic infrastructure and the Infrastructure Plan.

10. The key concerns raised in responses from the wider south east and some other consultees are as follows (*with a GLA headline response in brackets*):

- London is not planning to meet its housing needs (*London is in fact aiming to meet identified need for49,000 dwellings per annum through a combination of minimum supply side targets (42,000 pa) and policy measures to secure additional provision through higher density development in broad locations such as Opportunity Areas, town centres, surplus industrial land near transport nodes and other large sites. It currently has approved capacity for 216,000 homes in the planning pipeline and on averaged has approved over 55,000 homes pa since 2004/5. In view of historic and more recent migration patterns, uncertainty over long term demographic trends and the challenges in converting approvals into completions, under its Duties to Inform, Consult and Cooperate the GLA has prudently signalled to authorities in the wider South East that 'normal' out-migration from London may be closer to that experienced during the mid 'noughties' than the lower levels recorded during the recession. The GLA has suggested that these authorities may wish to take this into account when assessing their own housing needs..*
- London has not undertaken a review of the metropolitan green belt *(as the FALP aims to reconcile housing need and supply using brownfield land it is not at present considered necessary to review the Green Belt. The 2050 Infrastructure Plan, which will inform a full review of the London Plan from 2016 , will provide a series of spatial scenarios illustrating different ways of accommodating long term growth. These scenarios may include a green belt review. .*
- London is not meeting its affordable housing target *(FALP identifies a need for 25,600 affordable homes pa and, taking account of available resources, sets a minimum provision target for at least 17,000 pa backed by strong policy to maximise output. Increasing overall housing output and innovative use of resources will play key roles in maximising provision.*
- FALP does not plan adequately for infrastructure provision across London and the wider south east (*FALP does in fact highlight accommodating Xrail 2 and HS2 as the next major items of transport infrastructure investment. Both of these have implications for the wider region. The 2050 Infrastructure Plan provides a framework for exploring further investments of regional significance, including social and other forms of infrastructure. The Mayor has already started working on this with authorities beyond London).*
- Uncertainty over London's ability to meet its housing needs causes uncertainty for planning in the wider south east. *(The FALP provides the greatest certainty possible in demographically uncertain times. However, it is acknowledged that this can still present challenges to some authorities beyond London and the GLA is seeking to address this through transparency in the planning making process, greater pan regional working and providing common data and analysis to better understand common problems eg barriers to housing delivery as well as demographic issues.*
- There is a risk that FALP could be found to be unsound *(drawing on the flexibility inherent in the NPPF, the GLA considers that the FALP addresses national objectives in*

the unique circumstances of London in the soundest and most effective way possible. While there is always some risk that any plan may be found unsound, the GLA has engaged with key stakeholders from an early stage, including government. The latter has not objected to the central issue of reconciling housing need and supply.

- The duty to co-operate should apply to the GLA *(whilst the GLA Act provides a different legislative context in respect of London Plan preparation for co-operation by the Mayor with local planning authorities beyond London, to all intents and purposes, the GLA considers its GLA Act duties to 'consult' and 'inform' to be broadly analogous to the duty to co-operate)*.
- A mechanism is needed to develop a better understanding of the common issues shared by all local authorities in London and the wider south east *(Agreed, which is why the current spatial planning policy officer liaison group has been established; the GLA has been holding a series of events to discuss the implications of FALP for the wider region and the Mayor's office has been engaging with the regional political leadership)*.

11. As FALP develops further, GLA is keen to continue a dialogue with local officer groups and, subject to resources, is willing to attend meetings to explain FALP proposals, and clarify/discuss issues arising. The bulk of current dialogue is on a technical level with officers. The GLA's political lead on Planning, Sir Edward Lister, is engaged with SEEC members on the potential for member dialogue. That said, should there be a request for a meeting locally with members, then the GLA officers are open to that.

12. 11th July has been set by the Inspector as the date of the pre-examination meeting (in the morning) followed by the technical seminar (in the afternoon). GLA has suggested to the Inspector an agenda for the technical seminar: Demography, housing need, housing supply, older peoples' housing, economic projections, retailing and industry. The Inspector will publish a list of draft matters for consideration, and a list of draft participants, shortly.

13. In discussion, it was acknowledged that the approach to FALP is based on a realistic assessment of the options available in uncertain circumstances and is therefore a pragmatic approach. Ensuring this approach works will involve continuing the dialogue and co-operation started through mechanisms such as the new officer liaison group.

14. It was reported that there are indications that the Planning Inspectorate may be holding back and reviewing other plans, pending the outcome of the FALP examination in public in relation to housing needs and supply.

DEMOGRAPHIC PROJECTIONS

15. Ben Corr from GLA gave a presentation to the group, focused on the uncertainties which exist over demographic projections, particularly in relation to migration flows between London and the wider south east. The key factors are the definition of a 'normal' pattern of migration and the sensitivity of migration levels to assumptions adopted in the models.

16. Within this, household projections are sensitive to the number of older people in the population due to their propensity to form smaller households. There is uncertainty about how patterns of migration for older people will change in the future. Changed patterns of migration among older households have made a significant contribution to the reduction in out-migration from London in recent years (since the start of the recession).

17. The impact of economic recovery on out-migration needs to be considered. There are acknowledged methodological issues with the 2011 ONS population and household projections for London. The five year time series on these are based have picked up strongly on the much reduced out-migration which has occurred since 2007-08. This has been mirrored by reduced house sales in the London and the wider region.

18. Therefore, the key question is whether, for strategic planning purposes, it is prudent to assume that the levels of out-migration from London experienced in a period of recession are a temporary phenomenon or represent a new norm.

19. GLA has examined the levels of migration between London and the rest of the south east since 1975. There are very large differences in average net-outmigration if you consider a 5-year (44k pa), 10-year (68k pa) or 38 year (59k pa). This data shows other periods in which out-migration from London declined, and then rose to higher peaks. These might reflect the migration response to other economic recessions over the last decades.

20. Smoothing out the peaks and troughs produces different annual out-migration estimates – for example, if projections were based on the ten-year out-migration average, London's population would be 0.5 million lower by 2036 than using five-years of migration estimates. Developing a solid understanding what will happen and planning for it through the London Plan full review from 2016 is an important task. The approach adopted in FALP reflects the current uncertainty.

21. ONS have been asked to consider whether they can produce a variant of the 2012-based sub-national population projections later in 2014. The GLA demography unit is considering using the ONS population projections to create a set of household projections for the south east and east of England, if there is interest in the rest of the south east.

22. In discussion, there was agreement that it could be useful to break down such data for sub-regions within ROSE.

23. It was also noted that the other elements of the population projections will have been affected by the recession, including household formation among the 18-25 cohort, increased participation in education as opposed to work, reduced affordability of housing in terms of access to finance and reduced output. It was acknowledged that the DCLG model adopted by the GLA is fairly simple in this context.

24. ACTION – GLA to offer access to it demographic projections model to authorities in ROSE (GLA).

BARRIERS TO HOUSING DELIVERY

25. London currently has 216,000 approved dwellings in the planning pipeline (equivalent to 4.4 years supply), and on average over the last decade has regularly approved over 55,000 homes. However, completions have averaged only 25,000 year dropping to 19,000 at one stage during the recession and very rarely exceeding 30,000..

26. In this context, why are completion rates so low? In a study completed in 2012, the GLA employed Molior London Ltd to examine the situation on each site with permissions for more than 20 dwellings.. They found that 55% of permitted capacity was owned or controlled by organisations considered 'likely to build' and 45% were by organisations considered 'not likely to build'. A number of factors were identified:
    - **Net Absorption Rates** – a typical large site delivers 250dwellings every three years, largely for market reasons. This limits annual delivery from large sites.
    - **Market structure** - The market is heavily dominated by a small number of companies. Even in London, there are only 17 or 18 that are active and 3 or 4 of them account for 50% of capacity. There is a worry over the role of small builders in the context of 25% of supply on sites with less than 10 units.
    - **Funding issues** – There has been a credit squeeze on funding which has affected medium and large firms in particular.
    - **Incentives to deliver slowly** – In a recession, the housebuilders tend to slow or stop developments, reflecting market uncertainties and also in the latest recession the lack of finance available. However, in strong markets, housebuilders also slow down delivery to take higher profits through a rising market – either way, there is a strong drag on delivery for market reasons. When output does not change regardless of market conditions, there is something wrong with the market.

27. The industry often says it is the planning system which is blocking delivery. Following the 2012 study, the GLA formed a taskforce to look more closely at some specific cases where delivery issues are evident. It found about 13 or 14 sites where it could be said the planning system in some way 'blocked' delivery (usually related to the applicant's wish to renegotiate S106 agreements). However, there were frequently other factors at play which were not related to planning

28. The GLA is currently updating this work, the results of which should be available for the next meeting. In discussion, it was suggested that joint action should be explored at an officer and member level to raise the issue with Government and suggest mechanisms which could utilised to address the issue. Particular points which need to be included:

    - The role of land values, price and taxation mechanisms
    - The practicality of use it or lose it permissions
    - The effect of slow delivery on five year land supply, and pressure on less sustainable sites.
    - The impact on the delivery of local ambition for housing delivery
    - The meaning and role of 'market signals' in SHMAs.

- The underlying context and reality check that local plans are under-providing in terms of housing need.

29. ACTION – Formulate a plan for raising the barriers to housing delivery issue with Government, gather evidence and agree a way forward for at the next meeting. This should involve SEEC and EELGA (LS).

INFRASTRUCTURE PLAN UPDATE

30. Jeremy Skinner gave an update on progress of the development of the Infrastructure Plan 2050. Key questions being considered include the likely demand for infrastructure, the technology which may influence infrastructure requirements, community perceptions about infrastructure and willingness to pay, and the spatial distribution of growth (and hence of infrastructure).

31. There is a reasonable idea of the likely population of London and level the services and utilities which will be needed to accommodate it.

32. It is different for transport investment, since this necessarily will be closely related to a spatial distribution of growth. The infrastructure plan will not propose a spatial distribution, but will ask a series of 'what ifs' which must accompany any consideration of potential choices about investment in transport routes and infrastructure. The implication would be that enhancing transport capacity on particular routes would deliver benefits and enhanced GVA growth through development in sustainable locations.

33. It is hoped that the draft plan will be published by the end of July 2014. There will be a 3-4 month consultation period. The consultation should enable the plan to develop further through the identification of opportunities for integration and co-ordination with partners, through prioritisation of infrastructure investment, and by addressing funding sources and fiscal devolution options.

34. The Infrastructure Plan should be adopted and published by the Mayor in early 2015.

35. In discussion, it was made clear that the infrastructure plan is a forward look at the infrastructure needs facing London by 2050. It is not a statutory document, but an ideas document. The right place to consider how infrastructure needs and solutions match to proposals for spatial distribution of growth will be the London Plan full review, probably around 2016. The officer liaison group is an important vehicle for exploring the issues within the infrastructure plan and considering how they affect, at a technical level, strategic spatial planning policies in London and the wider south east.

36. Areas where the infrastructure plan needs to be strengthened include the role that new technology will play in shaping the spatial distribution of growth and infrastructure requirements, and also the cost of delivery in the context of potential financial mechanisms which could be used to deliver the infrastructure required.

37. The infrastructure commitment required to accommodate growth can be significant and represents a strategic cost within utilities' business plans. Funding arrangements can be piecemeal with the regulatory short-term imperative to keep consumer bills low. The need to keep price rises to a minimum is also an important political factor also. This can lead to a delivery issue, in particular for strategic investment.

38. ACTION – Collect examples of infrastructure delivery issues related to large-scale housing developments (LS).

39. ACTION – Keep the group informed on progress towards the draft infrastructure plan and provide an appropriate briefing on spatial distribution ahead of publication (GLA).

NEXT MEETING

40. At the request of the GLA, it was agreed to push back the date of the next meeting by a few weeks, with the date to be advised by GLA.

41. ACTION – Inform the group of the new date of the next meeting (GLA via LS).

Lee Searles
Secretary to the Group
25th June 2014