

Rt Hon Robert Jenrick MP
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Ministry of Housing, Communities and Local Government
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Our ref: **THORP20200504**

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Dear Robert,

Intention to Publish version of the London Plan

I write in relation to your letter to the Mayor of London dated 13th March 2020 and accompanying Directions to support the strong stance you have taken to the London Plan (the Plan), to seek clarification on one or two key issues and to make a number of suggestions which I believe are in-keeping with and add support to your approach. The clarity sought will hopefully assist all parties to move forward positively and the suggestions are genuinely intended to improve these final changes in the Plan making process.

In summary:

- I very much welcome and support your strongly held position in relation to the imperative for London to up its game in terms of planning for and delivery of its housing needs. I believe your proposal to engage directly with the Mayor will ensure that much more substantive progress on housing delivery can be facilitated than would otherwise have been the case. There may be additional modifications to the Plan, consistent with the existing in-force Plan, which might strengthen the commitment to London meeting as much of its housing needs as possible and I have taken the opportunity to highlight some of these.
- Very late in the Plan preparation process, we have arrived at a position where there is to be a substantive planned shortfall in housing provision when compared against need. Whilst I understand the Panel's position and related recommendation, I am of the view that the range of potential detrimental implications beyond London of that failure should be properly accounted for in the remaining decision-making processes and wherever possible proactively managed and mitigated. As things currently stand the narrative around these issues, including perhaps what clarity the Plan itself can provide and the assessment within its supporting Integrated Impact Assessment (IIA), is not as clear as it could be.
- The Panel is clear that the right way to approach addressing the shortfall in London's ability to meet its housing needs is through a Review of the Plan. However, your letter could be interpreted (particularly reference to *'I would like you to commit to maximising delivery in London, including through taking proactive steps to surpass the housing requirement in your Plan. This must include: [...] Producing and delivering a new strategy with authorities in the wider South East to offset unmet housing need in a joined-up way.'* as suggesting the wider South East should be contributing to meeting London's unmet housing needs now, in advance of consideration of any potential role it might play having been properly considered through a review of the Plan. I believe clarification on this issue is of key importance as it has implications potentially for the content of the Plan, the

accompanying IIA and of wider technical and political mechanisms. Irrespective of timing, the East of England Local Government Association (EELGA) is strongly of the view that any process involving exploring the potential for areas beyond London to contribute to meeting London's unmet housing needs should only proceed on the basis that London's Green Belt and Metropolitan Open Land have been reviewed to fully explore their potential to contribute to meeting London's housing needs. It must also be cognisant of and properly account for the emerging and apparently changing demographic picture.

You have advised the Mayor that 'Should you consider alternative changes to policy to address my concerns, I am also content to consider these.' I assume your respective officials are liaising closely to come to an agreement on how the Plan needs to change to better address your directions and to reflect the concerns set out in your letter. Whilst I of course understand that this is a matter between yourself and the Mayor I would be grateful if that process could give consideration to the following issues and the extent to which changes to the Plan might be made or other mechanisms employed to reflect them.

i. The implications of failure to meet housing needs on areas beyond London

The Government's position on the importance of housing provision and delivery for the Capital has been consistent on the emerging London Plan. In his letter of 2nd March 2018 your predecessor articulated the Government's position in relation to the assessed scale of housing need and proposed level of provision in London [66,000 per annum (pa)]:

'It is vital that your new London Plan provides the strategic framework to help deliver the homes that London needs. As it stands, I am concerned that the current draft will not do so and will not achieve the step change in housing delivery that London so clearly needs. Government is committed to a plan led system – but we are clear that plans must start with an honest assessment of need. I am concerned that the assessment of housing need you have used for the purposes of your draft Plan does not reflect the full extent of housing need across the capital to tackle affordability.'

This position was reiterated by your Ministry at the Examination into the Plan:

'However, the Government's consultation response was clear that we do not believe the SHMA methodology reflects the full extent of housing need in London to tackle affordability problems.'

Your officials will have advised you of the similar concerns of the house building industry and others expressed at the Examination. The Home Builders Federation (HBF), for example, has assessed housing need to be at 73,000 pa.

Notwithstanding Government, house building industry and others' concerns, the Panel has concluded that the 66,000 pa assessment of need is '[...] justified and has been properly calculated for market and affordable housing having regard to national policy and guidance', but that the strategy for achieving it is untenable and a more realistic target of 54,000 pa is appropriate (but in doing so recognising the scale and significance of this conclusion/recommendation 'Given the failure to meet, by some margin, the identified annual need for housing of 66,000 units[...]'). This represents a 20% planned under-provision against the Mayor's assessed need and a 26% deficit against that of the HBF.

In accordance with s337(6)(a) and (7)(a) of the Greater London Authority Act 1990 (as amended) you have considered the extent to which the proposed housing under-delivery against need and indeed other of the proposals within the Plan are consistent with national policies and what may need to happen to the Plan in the form of directions to address that inconsistency. I am very much encouraged by and welcome the strength of your message in terms of the need to the Mayor and his partners in London doing everything in their power to maximise housing delivery. I am supportive also of your proposals to engage directly with the Mayor moving forward and hope this working arrangement will ensure that much more substantive

progress on housing delivery can be facilitated than would otherwise have been the case. We cannot afford to drift into another cycle of London Plan failure.

Turning to the EELGA interests more specifically, in accordance with s337(6)(b) and (7)(b) of the Act I had been expecting your response to the Mayor to explore any detriment caused by the Plan to the interests of an area outside Greater London and what may need to happen to address that detriment, including modifications. There are, of course, a range of potential consequences of the failure of the Plan to make provision for the housing needs of London that extend beyond the Capital, largely relating to forced population displacement and migrant diversion away from London. Your officials doubtless have advised you of the detriment identified by the IIA - for example:

A reduction in housing targets means that the targets in the Plan will not meet London's housing need in full terms of overall housing numbers. Not delivering the housing required to fully meet London's housing need could result in a continuation of overcrowding in the existing housing stock - often affecting those on lower incomes - or more people moving out of London due to affordability of the housing stock - many of whom may continue to commute into London. It may also be the case that those who would otherwise move to London, chose not to because of the lack of housing options at the relevant price points. However, this would also be the case if it were not achievable to deliver the higher targets, something that is a key concern of the Inspectors.

- 'More people moving out of London, but continuing to work in London, is likely to also mean greater commuting journeys. The extent of impacts will depend on the types of journeys made, however, commuting over longer distances decreases opportunities for walking and cycling and is likely to have impacts in relation to carbon emissions and air quality.'
- 'The reduction in the overall housing target, meaning that the Plan does not plan to meet London's full housing need in terms of numbers of housing units, may result in a combination of a continuation/ increase in overcrowding in the existing housing stock and/or more people moving out of London. This could weaken the case for investment in additional infrastructure in certain circumstances.'
- 'not meeting London's full housing need in terms of numbers of units may also result in more people moving out of London (or not moving to London in the first place), which may either increase people's commuting or alternatively force them to seek employment outside of London - both of which could have a negatively impact on London's overall productivity. It could also mean these people lose their support networks such as family or friend's assistance in childcare provision, which could create further barriers to employment.'
- 'The reduction in the overall housing target, meaning that the Plan does not plan to meet London's full need in terms of numbers of units, may lead to more overcrowding in the existing housing stock or people moving outside of London. Trends indicate overcrowding is more likely to take place in outer London where the PTAL isn't as high or alternatively lead to people moving outside of London. Depending on how journeys are made within and outside of London, this could have the potential to lead to greater car use and/or longer journeys and potentially therefore impact on carbon emissions and air quality compared to what was planned for previously. The reduction in housing numbers could also reduce the case for investment in additional infrastructure that may have led to air quality and carbon emission improvements in certain circumstances.'
- 'The lower target may result in a continuation/increase of overcrowding in the existing housing stock or more people moving out of London (which may break up social and support networks). This may have a disproportionate impact on lower income, more vulnerable households, which are more likely to consist of people from BAME backgrounds, children, single parents - mainly women - the elderly and disabled people.'

- 'Not meeting housing need will mean some people's housing need will not be adequately met in London. This may negatively impact on London's overall productivity through people's general health and well-being and ability to live in London. This may have particular impacts on those with lower to middle incomes as the reduction in housing targets is mainly focused in outer London, where more of the new homes built are likely to be at lower price points than in central London.'
- 'More people may have to move further away from employment opportunities and face longer and/or more expensive commutes. As these households are more likely to also suffer barriers to employment such as transport costs, this has the potential to exacerbate existing barriers. This is likely to affect people from BAME backgrounds, households with children, single parents – mainly women - older people and disabled people.'

But the potential detrimental impacts are not confined to those rehearsed in the IIA. Forced population displacement and migrant diversion away from London has consequences for and places additional pressures upon already stressed housing markets around London, particularly its immediate hinterland, of which you will be well aware. You will also be aware I am sure of London housing under-delivery being used by the housebuilding industry and its representatives as an argument to uplift housing targets in local plans beyond London – regardless as to whether there has been any engagement between those authorities and the Mayor/London boroughs to do so and whether or not and where such unmet need would best be located within the context of the objectives of sustainable development – in my view the antithesis of proper planning and completely unacceptable.

Many authorities have had to cope with homeless households 'placed' in their areas from London that has a ripple effect reducing supply of accommodation to existing residents. Any further failure to meet the affordable housing needs of London that will almost inevitably arise with reduced housing supply will only serve to exacerbate this.

In terms of your s337(6)(b) responsibilities I consider the main issues relating to the detriment to the interests of areas outside Greater London are:

- the pressures placed upon housing markets beyond London, particularly its immediate hinterland, where housing markets are already under stress.
- the potential implications for communities that comes with further exacerbation of the 'ripple effect' – the potential for knock-on displacement from recipient communities.
- the potential for housing developers to use London under-delivery as a rationale for increased housing provision in local authority areas beyond London in an unplanned and uncoordinated manner.
- the increased propensity to travel and the implications this would have for already over-stretched transport connections between the Capital and beyond, with implications for air quality and carbon emissions.
- the potential displacement of London's affordable housing needs beyond the Capital and need to support displaced lower income and vulnerable households within recipient communities.

However, your letter is silent on most, if not all, of these issues. I am of the view that the range of potential detrimental implications beyond London of the failure to meet its housing needs should be accounted for in the remaining decision-making processes and wherever possible proactively mitigated. As things currently stand the narrative around these issues, including perhaps what clarity the Plan itself can provide, and the assessment within its supporting Integrated Impact Assessment, is not as complete as it could be. Key to the scale of these issues will be clarity in relation to iii. below.

ii. **Whether the directions do all they can to commit and challenge London to meeting its identified housing needs.**

Whilst your letter to the Mayor articulates the strength of your feeling towards uplifted housing delivery within the Capital, the impact of your Directions are rather less forceful. They contain virtually no substantive related changes to the housing policies in the Plan.

We are yet again facing the introduction of a Plan that fails to plan for its assessed needs – a persistent failure of successive Plan review processes - a situation that the Government is on the whole largely unwilling to accept anywhere else in the country. However, the current in-force Plan approach to failing to meet its housing need (42,000dpa of the 49,000dpa need) at least contains a strong steer that London should make every effort to meet need – as demonstrated in the highlighted text below (**thus**).

'3.16b This level of household growth does not represent the growth in housing requirements over the life of the Plan. This is identified through the GLA's SHMA46 which draws on government guidance to identify London's need for both market and affordable housing. As well as demographic trends the SHMA reflects the Mayor's intention to seek to address the existing backlog in housing need and takes account of the range of factors which bear on this. On this basis, the central projection in the SHMA indicates that London will require between approximately 49,000 (2015-2036) and 62,000 (2015-2026) more homes a year. This range incorporates different levels of population change over the period, the time taken to address current need (backlog) and the anticipated under delivery between 2011 and 2015. The 2015-2036 figure of 49,000 additional homes a year provides the basis for the detailed housing need figures set out in this Plan. In light of the projected higher need, especially at the start of the plan period, this figure should be regarded as a minimum.

3.19i To ensure effective local contributions to meeting London's need for 49,000 more homes per annum, Local Plans should therefore demonstrate how individual boroughs intend to address in terms of Policy 3.3 the relevant minimum housing supply target in Table 3.1 and seek to exceed the target through:

- **additional sources of housing capacity, especially that to be brought forward from the types of broad location set out in Policy 3.3;**
- **collaborative working with other relevant partners including the Mayor, to ensure that the Local Plan is in general conformity with the London Plan and includes final minimum housing targets identified through the above process; and**
- **partnership working with developers, landowners, investors, the Mayor and other relevant agencies to secure the timely translation of approved housing capacity to completions taking account of Policy 3.15.**

LDF preparation

D Boroughs should seek to achieve and exceed the relevant minimum borough annual average housing target in Table 3.1, if a target beyond 2025 is required, boroughs should roll forward and seek to exceed that in Table 3.1 until it is replaced by a revised London Plan target.

Da Boroughs should draw on the housing benchmarks in table 3.1 in developing their LDF housing targets, augmented where possible with extra housing capacity to close the gap between identified housing need (see Policy 3.8) and supply in line with the requirement of the NPPF E Boroughs should identify and seek to enable additional development capacity to be brought forward to supplement these targets having regard to the other policies of this Plan and in particular the potential to realise brownfield housing capacity through the spatial structure it provides including:

.....'

Whatever one may feel about the extent to which the commitment to delivering the 49,000 dpa need has been as proactively managed as it should have been, the principle behind it is absolutely the right one. I believe the new Plan should make similar commitments and I respectfully ask that in your ongoing engagement with the Mayor efforts are made to ensure the Plan commits as fully as possible to delivery of London's 66,000dpa housing needs – in ways similar to that within the current Plan.

iii. **Producing and delivering a new strategy with authorities in the Wider South East**

Your letter states that London's unmet housing need is to be met within the wider South East - *'Producing and delivering a new strategy with authorities in the wider South East to offset unmet housing need in a joined-up way'*, but I note that you have made no directions which relate specifically to this issue.

There are a number of areas of the Plan that are particularly relevant to this issue:

'Policy SD2 Collaboration in the Wider South East' and its supporting text relates to the existing/emerging working relationship across the wider south east, but it is most certainly not about areas beyond London meeting London's unmet housing need.

'Policy SD3 Growth locations in the Wider South East and beyond' and its supporting text raise the potential for willing partners in the wider south east to work with the Mayor to identify potential locations to help meet London's unmet housing needs – but importantly this relates to planning for 'longer-term contingencies'. Read in conjunction with paragraph 0.0.22 to which it is closely aligned, the Plan is clear that the process for any potential diversion of London's unmet housing need is for consideration through the next review of the Plan.

'0.0.22 The Plan does not meet all of London's identified development needs. Work will need to be undertaken to explore the potential options for meeting this need sustainably in London and beyond. This is a matter for a future Plan and requires close collaboration with local and strategic authorities and partners. Clear commitment from the Government is essential to support the consideration of these options and the significant strategic infrastructure investment requirements associated with them.'

You have made no directions in relation to the above parts of the Plan and so I assume it remains the case that how best to deal with any unmet London housing need, within London and potentially beyond, is a matter for the next review of it. I would be grateful for your confirmation that this is the case. In the event that it is not, a Plan that potentially seeks to redistribute as much as and potentially more than 14,000 dwellings pa (20% of London's need) beyond the Capital is a substantively different Plan to one that retains virtually the entirety of need within the Capital (as has been proposed by the Mayor throughout the Plan preparation process). Your officials will no doubt have provided you with advice on the extent to which the adoption of such an approach has been the subject of adequate public consultation through the preparation of the Plan, is supported by technical evidence of potential implications and informed by robust Strategic Environmental Assessment/Habitats Regulation Assessment processes.

iv. **'New Strategy'**

I would be grateful for clarification on what you mean when you refer to 'new strategy'. Do you mean an informal (there being no statutory basis for such a strategy) spatial strategy that distributes unmet housing need across the wider south east or do you use the word 'strategy' to be an approach to/agreement about how to go about the process of the WSE potentially assisting London in meeting its unmet need? Within the context of ii, I would also be grateful for clarification on the timing of this strategy. Is it to be devised and implemented in advance of or as integral element to the review of the Plan?

v. **Key Transport Infrastructure Priorities**

EELGA, together with the Mayor and South East England Councils have over recent years been exploring what they consider to be the key transport infrastructure priorities in the wider south east. This process

generated the priorities identified in Figure 2.15 of the Plan and described in its supporting text. Unfortunately, against the advice of EELGA, the Mayor chose to place this Figure and text within the context of Policy SD3 Growth Locations in the Wider South East and beyond. EELGA made representations on the Plan and to the Panel presiding over the Examination that this is the wrong location as it gives the misleading impression that they are growth corridors. EELGA's advice to Panel was that it be moved to the Transport section of the Plan. You will be aware that the Panel has agreed and accordingly made recommendation for relocation, but unfortunately the Mayor has chosen not to act upon this recommendation. Given the scale of the proposed housing provision against identified need and with the issues raised in i. above, I am of the view that there is an added imperative to ensure that any potential confusion about the status of these infrastructure priorities is avoided as far as is possible. Whether, the scale at which and where unmet London housing need might be better located in the wider south east should be a matter for a separate process (assumed to be next review of the Plan to date, subject to your clarification pursuant to iii. above).

vi. Green Belt

I very much support and welcome your directions to bring the approach to Green Belt within the Plan in line with national policy, including providing London Boroughs with the flexibility, where exceptional circumstances exist, to review their Green Belt designations through the preparation of local plans. EELGA is strongly of the view that any process involving exploring the potential for areas beyond London to contribute to meeting London's unmet housing needs (whether that be in advance of or integral to the Review of the Plan) should only proceed on the basis that London's Green Belt and Metropolitan Open Land have been reviewed to fully explore their potential to contribute to meeting London's housing needs.

vii. Changing Demographics

Clearly, there should remain a role for the Mayor in monitoring the housing need and delivery situation closely and informing authorities in the wider South East when data is updated that affects the degree to which the capital might need to seek the assistance of areas beyond London to meet needs. In this respect, full regard should be had to the recently published 2018 Sub National Population projections which suggest that the projection for the number of households in London is likely to be much lower than the figures based on previous projections.

At this near final stage in the Plan making process I hope I have been able to articulate the Association's remaining concerns. Given where the Plan appears to be heading and the potential need for clarity on a number of issues, please let me know if you feel a meeting of officials from your Ministry, the Mayor and representative local government associations across the wider south east might be of some benefit. It is in all of our interests to ensure that all parties understand what Government expects of them and how the approved London Plan can best articulate those expectations

Yours sincerely,

Councillor Linda Haysey
Chair of the East of England Infrastructure and Growth Panel
Leader of East Hertfordshire District Council

