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The Challenges of London's growth: Strategic planning and the failures of governance in the Greater South East

Abstract

Projections of population growth, together with the most recent assessment of development capacity, demonstrate that over the next 20 years, it will not be possible to meet the requirements of London's growth within the Greater London boundary within existing planning policy constraints. Moreover the compact city concept on which the current London Plan is based has failed to meet London's housing requirements over the last ten years. There is no governance structure for the planning of the London metropolitan region and the abolition of regional governance structures outside London has weakened the prospect of any metropolitan regional planning. The duty to collaborate provisions of the 2011 Localism Act have been shown to be an inadequate structure for planning the metropolitan region. This paper examines alternative development options for the London metropolitan region and considers alternative governance options for responding to the challenges of London's growth.

Introduction

The purpose of this paper is to consider the planning of the London metropolitan region in the context of the current governance arrangements. While the Mayor of London is considered to be a regional planning authority, London presents a classic case of the 'underbounded' authority with the Mayor's powers being limited to the Greater London area rather than the London metropolitan region, which in terms of the Functional Urban area, includes a substantial part of what was previously defined as the South East and the East of England regions. The history and challenges of planning and governance of the London metropolitan region can be traced back to the Unwin plans of 1929 and 1933, as well as the more famous Abercrombie Greater London Plan of 1944, and have been the subject of considerable academic study, for example by Peter Hall (Hall 2001), Kathy Pain (Hall and Pain 2006), Ian Gordon (2002,2006,2010,2012), Peter Newman and Andrew Thornley (1997,2012) and Allan Cochrane (2006a;2006b;2006c;2012). The purpose of this paper is to review the position in 2014, in the context of the 2011 Localism Act, the abolition of the English Regional Planning system, and the forthcoming review of the 2011 London Plan.

The starting point of this paper is that London and the wider South East face a significant challenge in terms of a higher rate of population growth than previously anticipated. Put in crude terms, London needs about 50,000 new homes a year or one million more homes over the next 20 years. The 2010 estimate that the South

East region required between 32,000 and 40,000 new homes a year needs to be revisited in the light of the 2011 census estimates and most recent population growth projections. London and the Greater South East also need space for new jobs, new transport, utilities and social infrastructure such as schools, health and leisure facilities. The current capacity based targets in London and the South East are 32,210 and 32,700 respectively, though the South East target lapsed with the revocation of the South East England Regional Plan, with many districts within the region revising their own housing targets downwards.

The Compact City principle

The adopted strategic plan for London, the London Plan, published in 2004 by the first Mayor, Ken Livingston, with a revised version adopted by his successor, Boris Johnson in 2011, is based on the compact city principle. The initial advocacy of the compact city was led by Richard Rogers, architecture and urbanism advisor to Mayor Livingstone from 2000, who had also chaired the Government's Urban Renaissance Task Force. Rogers' unit within the GLA in 2003 published a guide on *Housing in the Compact City* (Mayor of London 2003). Rogers also co-authored with Ann Power, LSE social policy professor, *Cities for a Small Country* (Rogers and Power 2000).

The London Plan plan set as a key objective that the challenges of population growth be met within the existing London boundary. This was justified primarily on environmental grounds – the case for protecting existing open space. The Plan also assumed that focusing on employment growth within the existing commercial areas, including Canary Wharf, meant that the London and UK would benefit from the agglomeration effects of concentrating economic activity within a limited geographical area. There was also a belief that by concentrating residential and employment growth within a limited area, that the need to travel significant distances to work would be contained, thus reducing transport infrastructure investment costs and containing environmental pollution.

The 2004, 2008 and 2011 London Plans sought to ensure that London's growing housing needs were met within the GLA area, with a series of housing capacity studies, including a further study undertaken in 2014 to support a further revision to the London Plan to increase the annual housing target to 42,000 homes a year, the annual target having been increased in the previous studies from 23,000 to 30,500 and then to 32,210. This additional capacity arose from the identification of additional sites, including under-used industrial and commercial sites, but also from an assumption that sites could be developed at much higher densities, especially in the case of the major development areas, known as Opportunity Areas. (Mayor of London 2004, 2008, 2011, 2014).

The Changing London context

In considering development options for London and the South East, it is important to recognise a number of factors, which reflect changes since the compact city principle

was adopted in the 2004 London Plan.

1. The growth of London's household population is running at a rate faster than new housing output, and most recent projections of both population and building rates imply that the situation will worsen rather than improve.
2. As the London job market becomes more internationalised, the competition for jobs gets more acute. While there is little evidence of any reduction in the domestic skills/jobs mismatch, there is an increasing difficulty with graduates as well as the under-qualified obtaining secure positions. However London still remains strong economically relative to other parts of the country.
3. A combination of increased demand and house price inflation have reduced affordability of market provision, increased the absolute shortage while also reducing the effective use of the existing housing stock. Rents are increasing in the private rented sector which is increasing in quantitative terms without any improvement in quality or security of tenure. The supply of social rented homes is reducing, with social and spatial polarisation increasing.
4. Transport congestion in parts of London is increasing, with an increase in both the length and cost of commuter travel.
5. There is increasing emphasis on defensive approaches to new development, both in terms of security and protection from flood risk, with an emphasis on single tenure, often gated, development.

The Governance of London and the South East Region

The directly elected Greater London Council was abolished in 1986. Between 1986 and 2000 the strategic planning of London was the responsibility of central government, with the 32 London boroughs and the Corporation of the City of London as local planning authorities. The Minister was advised by the London Planning Advisory Committee (LPAC) which comprised representatives of the 33 local planning authorities and had a small team of strategic planners. LPAC published a series of advisory planning documents for London, including Advice on Strategic Planning in London in 1994. The Minister, with the assistance of planning officials in the Government Office for London, published the Regional Planning Guidance for London (RPG 3) in 1996. There was also an advisory planning committee for the London metropolitan region, SERPLAN, which comprised representatives from the Home Counties planning authorities and from SERPLAN. This had a small planning unit and published a series of advisory plans including the Sustainable Development Strategy for the South East in 1998. The Government was however responsible for publishing the statutory Regional Planning Advice for South East England (RPG9) in 1994, with a revised version in 2001. SERPLAN was wound up in March 2001. The area covered by RPG9 included Essex, Bedfordshire and Hertfordshire (counties within the East of England) as well as the South East region (Wannop 1995)

SERPLAN members were however highly critical of the final RPG9 which they regarded as inadequate:

“i) the government has gone back on its own proposals for a wider ranging spatial development strategy to achieve a sustainable outcome;

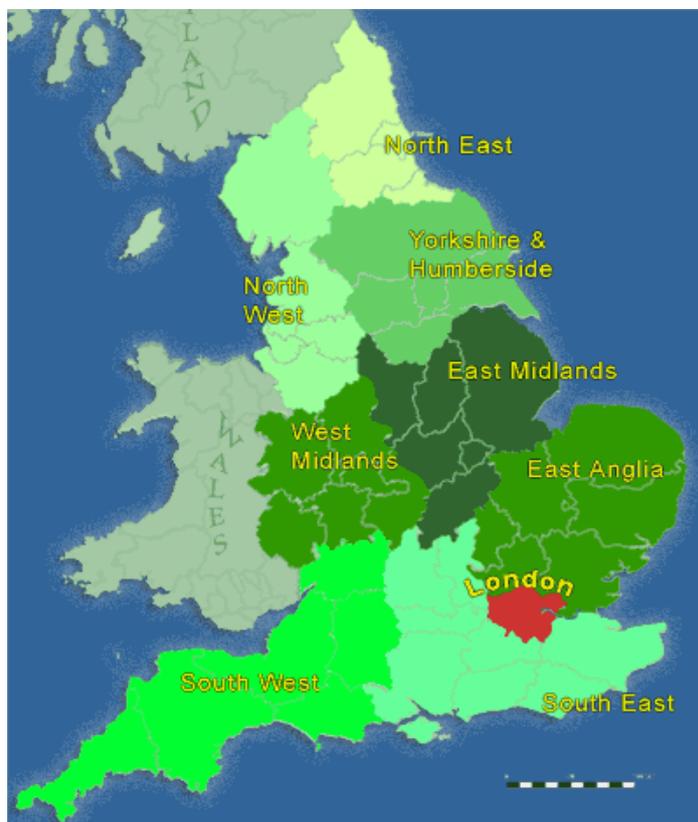
(ii) the government's proposals for the South East are full of good intentions, but the government is not giving local authorities either the powers or the resources to carry these out;

(iii) while the government has accepted part of SERPLAN's proposals for 're-balancing' the regional economy, it has watered down the policy thrust in SERPLAN's strategy towards the Priority Areas for Economic Regeneration which cover the less favoured parts of the region;

(iv) despite the emphasis on the policy of urban renaissance put forward by SERPLAN, the government's proposals for increased housing provision in the South East will result in more building on greenfield sites;

(v) the South East urgently requires an affordable housing policy which will deliver housing which can be afforded, where it is required.”
(SERPLAN 2000)

Map 1 The English Planning Regions (to 2010)



The Mayor of London has since 2000 been the strategic planning authority for London. He has responsibility for the Spatial Development Strategy for London, commonly known as 'The London Plan'. (Bowie 2010)

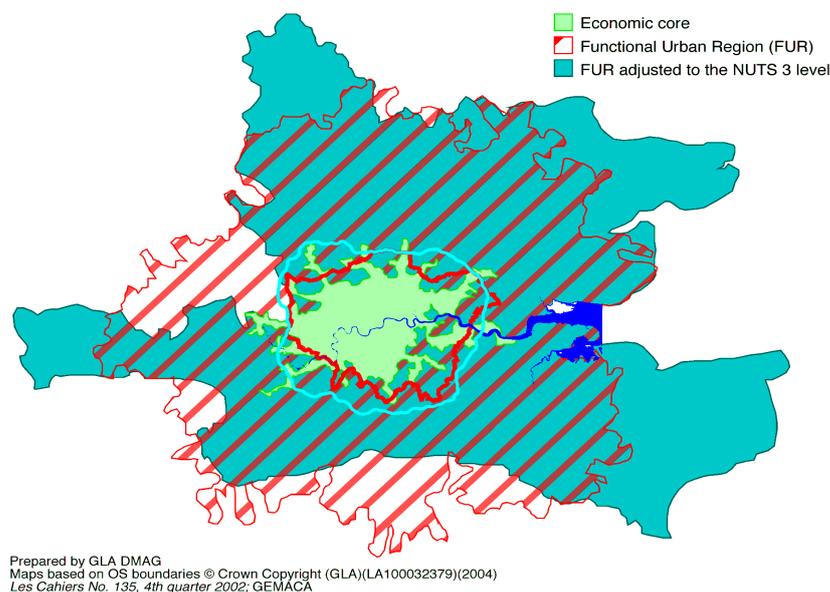
The first version of the London Plan was published in February 2004, with subsequent revised versions in 2008 and 2011. In addition, some revisions were made to the Plan in 2007 and 2013. A draft revised Plan was published in February 2014, with an Examination in Public to be held in September 2014, with the intention that the revised Plan be adopted early in 2015.

The Mayor has the power to require the London local planning authorities to reject proposals for strategic schemes which he considers do not conform with the strategic policies in the London Plan. Strategic schemes include any housing scheme over 150 homes and any development proposal higher than 30 metres. (roughly equivalent to 10 stories). The original referral criteria were set out in a Government Office for London circular (GOL circular 200/1) The current referral criteria are set out in the Town and Country Planning (Mayor of London) Order (2008) and in the Mayor of London's London Planning statement (May 2014). The Greater London Authority Act (2007) enhanced the Mayor's planning powers to allow him, in a number of specified circumstances, to take over a strategic scheme from the local planning authority and determine the planning application directly. To date, this power has been used 11 times. Major housing led schemes which the Mayor has determined directly are Southall Gas Works in Ealing, Eileen House in Southwark, Convoys Wharf in Lewisham, the Mount Pleasant sorting office site in Islington and the City Forum site, also in Islington.

Between 2004 and 2010, regional planning for the Greater South East outside London, was the responsibility of the indirectly elected Regional Assemblies, with eight assemblies for the 8 English Regions producing Regional Spatial Strategies under the provisions of the 2004 Planning and Compulsory Purchase Act. The South East Plan was published in May 2009. This covered the counties of Kent, East Sussex, West Sussex, Surrey, Berkshire, Oxfordshire, Hampshire, the Isle of Wight and Buckinghamshire. This replaced RPG9. The East of England Plan, which included the counties of Essex, Bedfordshire and Hertfordshire, as well as Cambridgeshire, Norfolk and Suffolk, was published in May 2008, also replaced RPG9 in respect of planning policies relating to Essex, Bedfordshire and Hertfordshire and RPG6 in relation to the East Anglian counties.

The 2011 Localism Plan provided for the abolition of the Regional planning system. The Regional Assemblies were wound down, together with Regional Development Agencies (RDAs) in 2011. The Regional Plans were finally revoked, after a tortuous legal process in 2013. During the 2004-2010 period, the three regional planning authorities – the South East and East of England Regional Assemblies and the Mayor of London established the Inter-regional Forum to coordinate their activities This was a discussion forum with no statutory functions and was largely ineffective. With the abolition of the Regional Assemblies, the forum lapsed, and after a considerable time gap was replaced by a system of occasional meetings at officer level between the Mayor's strategic planning team and planning officers from district, county and unitary authorities in the greater South East (Swain et al 2012).

Map 2 The Functional Urban Region



London's Housing Capacity

London's housing capacity has been subject to 5 yearly assessments, carried out by LPAC until 2000 and subsequently by the Mayor of London, with housing capacity studies, subsequently known as Strategic Housing Market Assessments (SHLAAs) carried out in 1999, 2004, 2009 and 2013.

The 2011 London Plan housing capacity target of 32,210 homes a year was derived from the 2009 Strategic Housing Land Assessment and was based on the assumption that developments on consented and allocated sites would proceed on the basis of the capacity consented or used in the site allocation, even where this was higher (or lower) than the capacity calculated from the application of the London Plan Sustainable Residential Quality matrix. Only in the case of the 20% of sites which are not in these categories is the SRQ matrix used to calculate site capacity. The GLA has subsequently stated that the majority of housing requirements in London will be met within Opportunity Areas. A number of masterplans for new opportunity areas, such as Nine Elms/Battersea, Earls Court, Park Royal, White City, and Central Croydon have proposed are predicated on high density development.

Previous research has demonstrated the extent to which the development programme has failed to meet housing needs based targets in both quantitative terms. (Bowie 2010). Output has fallen in numerical terms since the recession, but there does not appear to have been a significant shift either towards more affordable homes or more family sized homes in the last few years, while the most recent monitoring data shows that average development density remains at 140-150

dwellings per annum with some 60% of units being developed at densities above the ranges specified in the London Plan. The 'compact city' approach has failed to meet housing needs. As the prime London housing market has moved back into boom mode, fuelled by international investment, we have in fact seen a return to hyperdense development of flats targeted at the international market at prices far beyond the reach of middle income households. At the same time the development programme in peripheral locations, including sites which could provide low and medium rise affordable housing, remain undeveloped, as a result of a range of factors including the withdrawal of Government funding for affordable homes, the lack of planning of and funding for infrastructure and the inability of developers to realise their overambitious assumptions as to sale values.

The proposed revisions to the 2011 Plan which are based on a new Strategic Housing Land Availability Assessment would take the capacity based target to 42,000 homes a year. (Mayor of London 2014)

So there is a clear need to examine a range of different options for meeting the challenges of growth in London and the wider South East.

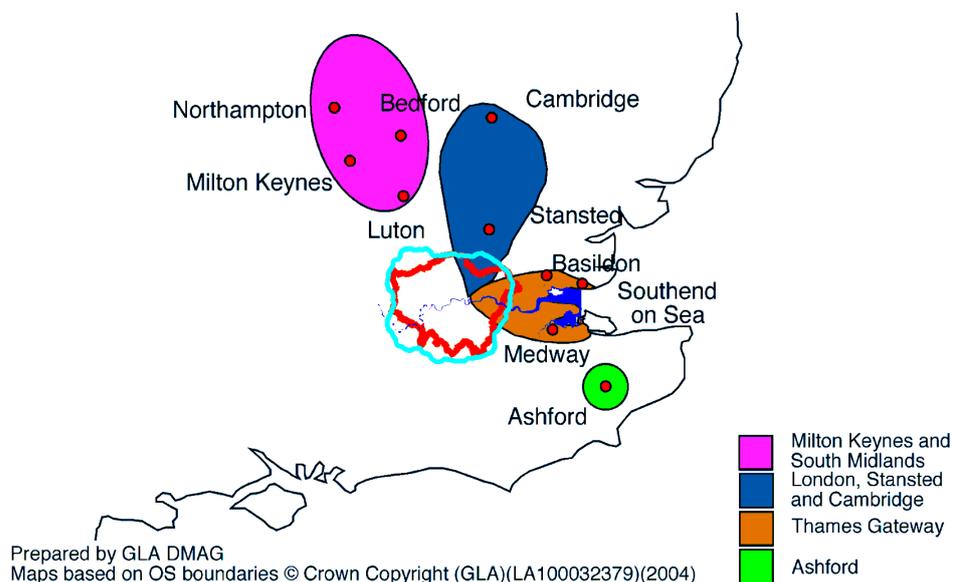
The impact of Government policy changes

It is also necessary to recognise the impact of a number of reforms to UK planning and housing policy since the original London Plan was adopted in 2004.

Firstly, there has been an abandonment of any concept of a national spatial strategy. The previous Governments Sustainable Communities Plan (DCLG 2003) identified four growth areas: the Thames Gateway, the Ashford growth area, the London Stansted Cambridge growth area, which was subsequently extended to Peterborough, and the South Midlands/ Milton Keynes growth area. This was followed up by the designation by central government of a number of towns as growth points. The view of the coalition government is that whether or not an area should promote residential and employment growth is a matter for local decision. The regional plans which set housing growth targets at local authority level were withdrawn. The setting of housing targets is now a matter for individual local authorities. While London has its own regional plan, which includes ten year housing growth targets for individual boroughs, there is no planning framework for the London metropolitan region as a whole, and the pre-existing Inter Regional Planning forum has lapsed.

Map 3 Growth Areas in the Sustainable Communities Plan

Government Sustainable Communities Plan



Government has sought to liberalise the planning regime and speed up the planning decision process. The National Planning Policy Framework (NPPF) introduced a presumption in favour of development, which required local authorities to demonstrate that a development did not comply with adopted planning policy – a significant requirement where about half local planning authorities still did not have plans adopted under the 2004 planning regime. Local authorities who consistently missed approval timescale deadlines or lost appeals could see their planning powers taken over by central government. The permitted development rules were extended to allow developers to convert offices and industrial buildings into homes without a requirement for planning consent.

Government in the 2011 Localism Act also introduced the Neighbourhood Plan procedure by which groups of residents and local business could develop their own statutory plan for their neighbourhood. In practice this has weakened the ability of democratically elected local planning authorities to plan strategically. In practice many neighbourhood plans constrain growth.

The most significant change in national planning policy is the new focus on development viability. If a developer can demonstrate that it is not profitable for them to develop a scheme which meets the council's planning policy requirements relating to affordable housing, they can request that these requirements are reduced or waived altogether.

Other Government policy changes have significant impacts on residential development – the termination of all central government funding for new social

rented housing, with the limited resources remaining being focused on the provision of rented housing which is only marginally sub-market – the misnamed ‘affordable rent’ programme and some limited funding for shared ownership homes. The Government has also limited the housing benefit payable to households living in local authority, housing association and privately rented homes, reducing benefits to households considered to be underoccupying homes – the spare room subsidy or bedroom tax, while restricting the total benefit paid to a household to £500 per week. This has a serious impact on households, especially larger families, living in higher value areas.

There have also been a number of more London specific factors:

The London property market has not only recovered since the recession, but in contrast with the property market in many other parts of the UK, is now booming with average London house prices having increased by 12.4% in the last 12 months.

As a result of the cuts in housing benefit, there has been a significant shift of households receiving housing benefit from Inner London to outer London. Between April 2011 and May 2013, the number of private rented tenants receiving Local Housing Allowance fell by 21%, whereas the number in outer London increased by 10%.

The Mayor of London has removed the separate target for new social rented from the London Plan. The target had been 25% of all new homes (or 60% of the 40% affordable homes target). The target is now combined with the ‘affordable rent’ target for homes at up to 80% of market rents. This makes it difficult for individual boroughs to support the provision of new rented homes at lower rents and to require private developers to comply with planning agreements to provide such homes.

It is suggested that the combined impact of government policy and external factors such as houseprice inflation (which itself is to a certain extent a product of government policy, has had significant impact of the spatial distribution of housing supply and demand within London. While analysis of data for the 2011 census for the Greater South East beyond London is necessary to get a fuller picture, the data presented shows a number of outcomes:

- * That Inner London has become more expensive for would be owner occupiers.
- * That there has been an increase in overcrowding in Inner London, while in the suburban boroughs and Inner West London, overcrowding has fallen, while there is now a significant number of vacant residential properties in Inner West London.
- * There has therefore been a ‘hollowing out’ of parts of central London.
- * While the concentration of existing social housing stock remains in Inner London, and that inner London still generally has the majority of new social rent and intermediate homes, a significant number housing benefit recipients in the private rented sector are moving from Inner London to outer London.

There has also been a significant increase in the density of new development, an increase in the number of new high rise residential schemes and a reduction in the number of family sized homes built in market and social housing sectors. An increase in density has not led to the provision of more affordable homes or more family sized homes. The increase in housing costs to occupants, whether owners or renters, together with cuts in housing benefit has increased spatial polarisation.

The Localism Act, the Duty to Co-operate, and the impact on sub-regional planning.

The 2001 Localism Act abolished the regional planning structure and the pre-existing arrangements for sub-regional planning arrangements under the leadership of the Regional assemblies, which contributed to the sub-regional strategies contained within the Regional Plans. In relation to the London metropolitan area, the East of England Plan had included a sub-regional strategy for the London commuter belt and for Thames Gateway/South Essex; the South East Plan included sub-regional strategies for the London Fringe, Kent Thames Gateway, the Western Corridor. Milton Keynes and Aylesbury Vale and for the Gatwick area, all of which had a significant travel to work relationship with London and were part of the Functional Urban Region.

The Localism Act requires local planning authorities to cooperate with neighbouring authorities. This is primarily a requirement for consultation through the plan preparation process. Detailed process requirements are set out in the Government's National Planning Policy Framework (NPPF) and the subsequent National Planning Policy Guidance (NPPG). Ministers have been keen to stress that there is no duty to agree. Nevertheless a planning inspector is assessing the soundness of a local plan requires the local planning authority it has met the requirement to co-operate. In a number of cases, Inspectors have determined that the duty has not been met. In some cases the failure relates to a failure to consult on housing provision – either a failure to consider the implications on neighbouring authorities on under provision within the local authority, or a failure to consult an adjacent authority as to whether the latter has housing needs which require provision in another district. The Planning Inspectorate included a schedule of such cases in its submission to the House of Commons select committee investigation into the operation of the NPPF.

The Government has envisaged that Local Enterprise Partnerships (LEPs) may have a role to play in sub-regional planning. These organisations are voluntary groupings of local authorities with representatives of business but have no statutory planning powers. (Bentley and Pugalis (2013); Pugalis and Townsend (2013)). Consequently they are not an adequately sound basis for sub-regional planning. Local authorities do however have the power to establish combined authority structures, which enable a group of local authorities to act jointly to carry out statutory functions, such as strategic planning. This has been applied in the case of local authorities in the Greater Manchester area and more recently by a group of authorities in the Liverpool city region area. Under the 2004 Planning and Compulsory Purchase Act, local planning authorities can publish a joint plan for an area which incorporates

parts or all of the local authorities' areas.

Groups of local authorities therefore already have the power to undertake joint Strategic Housing Market Assessments, joint Strategic Housing Land Availability assessment and to agree on how housing capacity can be used across a sub-regional area and to set housing targets for each local planning authority in a manner parallel to the process by which the Mayor of London sets housing targets for the local planning authorities within London.

Alternative development options for meeting the housing needs of London

If it is accepted that a central London focused compact city approach is not going on its own to meet London's housing needs either in terms of quantity or quality or affordability, there needs to be an examination of alternative development options.

The key options are as follows:

- 1) Expanding the high density central core to include city fringe sites (such as opportunity areas) and major suburban centres. This is in effect the position taken in the 2011 London Plan, and is the key component of the current estimate that London has capacity for 42,000 new homes a year. However, a reliance on high density market led development will not provide the full range of homes London needs in terms of built form, dwelling size and affordability, and is primarily aimed at the investment market, including a growing international investment market.
- 2) Dispersal of residents to the Greater Southeast on the basis of improved transport infrastructure to ensure access to employment opportunities. This proposal is not generally supported by the planning authorities in the Greater South East.
- 3) Dispersal of residents from the Greater South east to other regions with more affordable housing markets and/or spare development capacity. This is problematic given the lack of Government ability to direct jobs to such areas. An alternative perspective proposes dispersal of economically inactive residents to lower value/lower cost areas to reduce government expenditure.
- 4) New settlements either in the form of new stand alone settlements or urban extensions.
- 5) Suburban intensification. This is generally not supported by suburban planning authorities or existing suburban residents.

Before considering the appropriateness of specific locations for new settlements or individual new developments, it is important to set out some basic preconditions. While there have been numerous reports including both historic and more recent reports advocating garden cities and garden suburbs, I would suggest that the following preconditions are perhaps the most critical if our definition of sustainability is to incorporate social and economic sustainability as well as

environmental sustainability.

1. Any new settlement needs to be near to employment opportunities which are accessible by public transport
2. Any new settlement needs to include a range of housing types which are affordable by a range of households, including good quality housing affordable by lower income households – to achieve a genuine mixed and balanced community..
3. Any new settlement needs to be supported by accessible social infrastructure – education, health and leisure facilities, including pubs, cafes, places of worship and a library.
4. Any new settlement needs to include and any new development needs to be within walking distance of a district centre which includes a range of shops.
5. Any new settlement requires a comprehensive utilities infrastructure – power supply, water supply and sewage and waste disposal.
6. Any new settlement needs to be a place where people choose to live , rather than being an imposed choice as the only option available as alternative options cannot be accessed.
7. Any settlement needs to seek to achieve the most effective use of natural resources, both in terms of development and long term occupation.

For these preconditions to be achieved, a number of factors need to be in place:

1. The land needs to be available for development at a price which does not obstruct the delivery of a mixed and balanced community.
2. The development must be comprehensively planned in the wider public interest rather than just in the interest of the landowner, developer or investor.
3. A regulatory regime must be in place to ensure minimum standards of residential and related development are achieved and where possible exceeded while ensuring that homes are affordable by a range of households.
4. Sufficient public and private funding must be in place for these objectives to be delivered and that this funding ensures adequate management and provision services in the long term as well as the initial capital investment.
5. The governance of a new settlement both in the development phase and post-completion should be through a democratically accountable body.
6. As the asset value of the settlement increases over time, the value is reinvested in the maintenance of, and, where appropriate, the extension of the settlement, rather than enabling private profit.

In considering implementation of any development strategy, it is important to recognise two key limitations;

- a) That planners may plan but do not have the powers or funding to direct implementation and ensure delivery;
- b) That the development market, private finance and asset ownership are largely unregulated.

There is a third limitation, one that Government has chosen to establish – that is there is no Government policy on where residential or employment growth should be focused and consequently that growth is primarily a matter for the self-determination of each locality.

It also needs to be recognised that current governance arrangements are inadequate. With no structure of regional planning beyond the GLA boundary, there is no organisational basis for the review of the growth demands of the greater southeast and the capacity to meet them. There is evidence already of Home counties districts failing to collaborate on the politically sensitive issue of balancing demand and capacity at sub-regional level. CLG has no wish to intervene, and while the Mayor of London, following his recent consultation paper on inter-authority cooperation, may initiate a preliminary wider discussion, there is neither a sense of urgency or a mechanism for the comprehensive review which is required. The Mayor's perspective that in the next ten years at least, London's needs can be met within the London boundary, which does not recognise that we need to start our longer term planning now.

The Green Belt remains a contentious issue. It is essential that any consideration of the use of Green Belt land for development is the result of a comprehensive review of existing land use and development capacity. An unplanned incremental approach to peripheral development based on responses to specific development pressures could be damaging not just to the environment but to broader issues of economic and social sustainability.

Any strategic framework also has to take into account the potential growth opportunities generated by new infrastructure, notably High Speed 1, High Speed 2, Crossrail 1 and even the potential Crossrail 2, together with orbital transport improvements and more localised projects. These developments have a major impact on whether or not specific locations are viable as significant new settlements.

Any assessment of a development option therefore should have regard to both sets of criteria, as well as to the constraints on implementation. The factors which need to be in place will vary between different locations. Wholly new settlements in the traditional form of Garden cities or stand alone New Towns will generally have a higher cost in terms of ensuring both transport and social infrastructure. With no Government strategic policy for the location of employment capacity, providing access to employment opportunities without dependence on private transport (with its negative environmental consequences) will be challenging.

At a time of shortage of resources to fund significant new infrastructure, there is a strong argument for focusing on new settlements which are accessible to existing employment opportunities and existing social and utilities infrastructure. Consequently urban extensions and infill suburban development may have advantages and can be more cost effective and sustainable than relatively isolated new settlements and will be able to provide a wider range of housing types on a more affordable basis than higher density or hyperdense development in metropolitan central locations (such as central London) or in town centre locations, whether within suburban London or within the wider metropolitan region or areas on the edge of it.

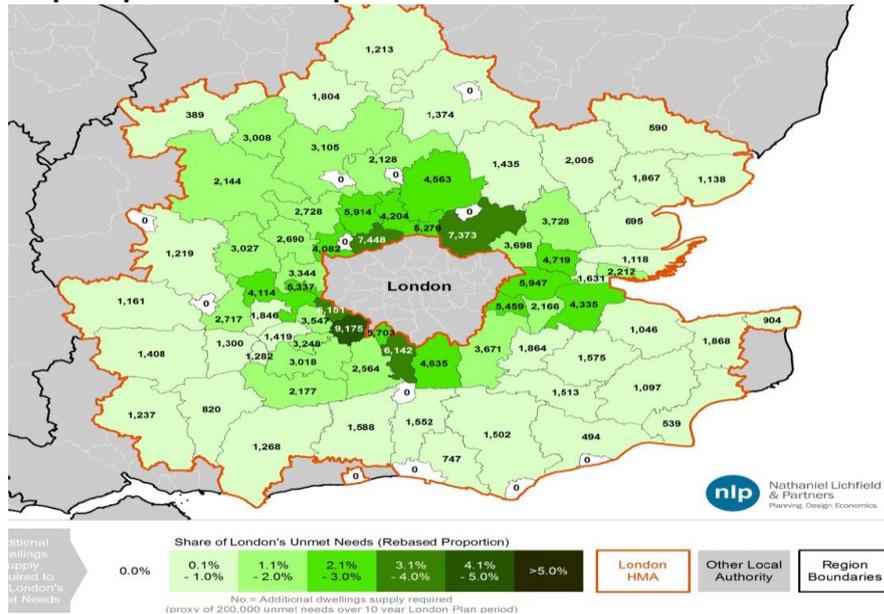
It is unlikely that given the quantum of new housing required, any one development option on its own will provide sufficient new homes. Just as it is wrong for the Mayor to focus on high density Opportunity Areas as the main source of additional supply, it is wrong to imply that a certain form of Garden City or Garden Suburb type of development will on its own provide the solution. Suburban intensification both within and beyond London could make a significant contribution to the need for new homes as well as providing a range of housing types for different markets. For example, if land used for private gardens in suburban boroughs relative to dwelling footprint was reduced to the London average of 2.74:1, this would generate 1,057,000 new homes, assuming a density of 75 dwellings per hectare (only half of the current average new development density) or 423,000 homes if you applied the former minimum density assumption of 30 dwellings per hectare. Given the size of gardens across England is generally higher than in London, (with a 3.75 private garden: building footprint ratio) a similar calculation applied to the Greater SouthEast would generate a potentially higher new capacity future – without a hectare of metropolitan open land or Green Belt being affected.

Options for Distributing new housing provision in Greater SouthEast

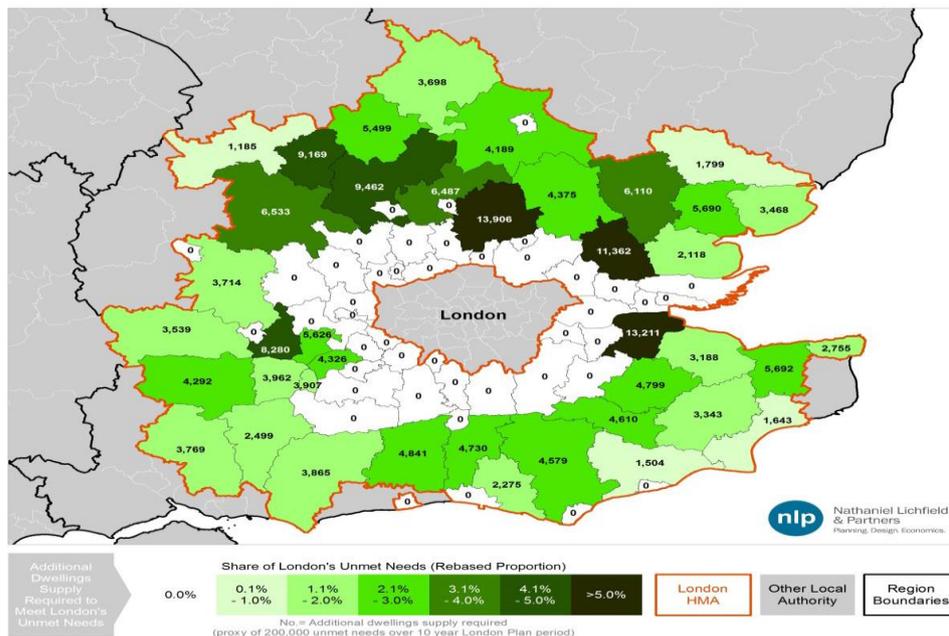
Neither central government nor the new Strategic Planning Liaison Group initiated by the Mayor have put forward proposals for meeting the identified deficit in London's housing supply relative to assessed requirements. There has been no published assessment of housing requires in the metropolitan region as a whole since the Government revised its population projections after the 2011 census, and no estimates for either the South East of England or the East of England since those incorporated in the now revoked Regional Spatial Plans. Similarly there has been no systematic assessment of the capacity of districts within the Greater South East to meet the requirements of London and the Greater South East as a whole. Neither the London SGMA nor SHLAA processes have been applied to the metropolitan city region as a whole. Moreover it can be argued that the housing capacity assessment which contributed to the initial targets set in the South East and East of England regional plans lacked for site specific analysis and application of consistent regionwide site capacity assessment criteria which applied in the London case. In the absence of any inter-regional spatial planning structure, there is no organisational basis for managing such a study.

It is therefore interesting that in the absence of any statutory planning initiative, a planning consultant has sought to carryout an exercise to allocate housing capacity across the metropolitan region. Nathaniel Lichfield Planning, in a submission to the Examination in Public on the Further Alterations to the London Plan carried out an exercise to distribute the London housing supply deficit between the local authorities in the London travel to work area. It should be noted that this exercise relates only to London's housing deficit and not to the allocation of housing capacity to need the indigenous requirements of the Home Counties districts.

Map 4 Option 1. Development within the Green Belt



Map 5 Option 2 Development beyond the Green Belt



Governance options to ensure a return to Metropolitan Region Planning

This paper has argued that medium density development close to existing infrastructure is a much more sustainable form of development and produces a better quality of life for residents than either hyperdense development in high rise flats Central London or 'Garden City' type developments in relatively isolated

locations, with expensive homes and access to limited employment opportunities. In terms of meeting social, economic and social sustainability criteria, it is likely that three forms of development could make a significant contribution to meeting London's housing requirements : incremental suburban intensification; urban extensions on the fringe of London; and extensions to existing urban centres in the Greater South East which have good transport access to London and/or have a local employment growth capacity. In each case it is critical that developments include a full range of built forms, housing types in terms of size, tenures and affordability if further social polarisation is to be avoided.

We therefore need to consider a much wider range of development options and focus on what is actually deliverable and what will be delivered in the current funding and market context, and to identify and assess the capacity of individual locations in terms of the criteria specified above. This is an exercise that requires some nationally applicable guidance and national government support. New settlements have to be planned within their locational context.

This however requires coherent national/inter-regional, regional and sub-regional strategies which incorporate housing, economic, transport and environmental components. For such strategies to be developed and implemented, we need both Government support and intervention, as well as forms of strategic planning and governance structure which are democratically accountable and more effective than the current structure of Local Enterprise Partnerships and the Duty to Co-operate provisions of the 2011 Localism Act. For London and the Greater South East – the London metropolitan region, we need urgently to consider options for a metropolitan region planning and governance structure.

London has had previous experience of metropolitan city regional planning. The Abercrombie Greater London Plan of 1944 took what was then the London metropolitan region as its planning area. The Government published the South East Study in 1964- intended as a twenty year plan for 1961 to 1981, followed by the South East Strategy in 1967. In 1976, the Government published an interim report of the Strategic Plan for the South East 1994 saw the Strategic Plan for the South East (RPG9), with an updated version in 2001. The Sustainable Communities Plan of 2003 and the subsequent planning approach to the Thames Gateway also considered the relationship of London to its hinterland, or at least parts of it. The South East Region Assembly produced the South East Regional Plan, which was adopted in 2009, but revoked in February 2013 following the Coalition Government's abolition of the Regional assemblies and the English regional planning structure. While RPG9 did cover the wider London metropolitan city region, the South East Regional Plans were metropolitan region plans, as it only covered the Home Counties area and did not include London, and in fact also excluded Essex, Hertfordshire and Bedfordshire, which were part of the East of England Region.

With the abolition of SERPLAN, the Mayor and the two new Regional Assemblies for South East England and the East of England then set up an Inter Regional Planning Forum. This was a liaison group and had no statutory plan making or advisory

functions and was largely ineffective. With the abolition of the Regional Assemblies in 2010, the Inter Regional Forum lapsed and subsequent discussion of planning at an inter-regional level have relied on meetings of Home Counties district county and unity authority planners convened by the Mayor of London. This has been formalised more recently as a Strategic Planning Liaison group which meets on a quarterly basis. This has held a series of discussions and received a series of presentations from the Mayor's strategic planning team. It however failed to agree on assumptions for household growth projections and did not consider the issues of consistency of Strategic Housing Market assessments and Strategic Housing Land Availability Assessments across the wider South East Region. Given the limitations of the Duty to Co-operate provisions of the 2011 Localism Act have been discussed above, there is clearly a need for a new more formal structure for planning for the London metropolitan region, and the experience of both SERPLAN and the process of developing RPG9 are relevant to consideration of appropriate governance options.

While the issue of the relationship between London and the London metropolitan region was to a large extent sidelined at the London Plan Examinations in Public in 2003, 2007 and 2010, the fact that with the revised projections of population growth, the proposed 2014 revisions to the London Plan explicitly recognise a substantive housing supply/demand deficit, meant that the London Plan Examination in Public conducted in the first two weeks of September 2014 could not avoid the issue

Some 51 district councils as well as county planning authorities and county based groups of council chief planners objected to the Further Alterations to the London Plan on the grounds that in not identifying capacity within London to meet London's housing needs, it does not accord with the requirements of the NPPF and is therefore unsound. Some districts point out that they are under pressure to develop sites within the Green Belt, while the London Plan retains an absolute protection of Green Belt land within the London boundary, and that the Mayor and London boroughs should also assess the potential for sites within the Green Belt to provide new homes.

At the London Plan examination, it was clear that there was a clear difference of view between the Mayor's demographer and the Home Counties districts about the likely level of migration from London to the Greater SouthEast. The GLA argued that out migration would be much higher than the ONS projections assumed, while the Home Counties districts accepted the ONS projections. Leaving aside the issue of whose projections are the soundest basis for planning, the consequence is that at least 10,000 households a year are missed out from the combined assessment of housing requirements across the London metropolitan region.

There is also no agreement between the Mayor and the Home Counties districts on planning to meet the housings needs backlog. Government guidance has in the past stated that planning authorities should seek to meet the accumulated backlog of housing need over 5 years. In previous assessments of Housing need in London, it has been assumed that given the pressurised London housing market, meeting the

backlog over the ten year plan period was a reasonable planning assumption. For the 2014 London Plan revisions, the Mayor has unilaterally changed the assumption to a twenty year period. The Mayor recognises that the revised assumption depresses the requirement for new homes from 62,000 a year to 49,000 a year. The effect of this is to push some further 13,000 households a year out of London for the next 10 years. The Mayor's proposed capacity based housing target is only 42,000 homes a year, so even if this target is delivered, the projected housing supply deficit is actually 20,000 homes a year. This means that at the end of the 10 year period, we would be 200,000 homes short. The Home Counties districts have made it clear that they have no intention of planning to provide for this deficit and in fact insist that they are struggling to plan to meet the requirements arising from their indigenous population growth. They also do not recognise that the continued economic growth of London with additional jobs being created will lead to an increase in demand for housing in their areas by London commuters. This position is restated in numerous submissions and statements at the recent Examination in public (EiP 2014).

The Inspector at the Examination in Public, while recognising that the Mayor's proposals had implications for the wider metropolitan region, he was not prepared to consider representations from the TCPA and others as to appropriate mechanisms for collaboration. An anomaly of the Localism Act is that the Duty to Cooperate provisions which apply to all other planning authorities and development plans do not apply to the process of Mayoral preparation and consultation on the London Plan. However, as the Inspector's remit was to review the London Plan, he was required to make a judgement as to whether the Mayor of London had met his separate statutory duty to inform and consult neighbouring authorities. He recognised that a number of neighbouring authorities argued that the Mayor's actions were inadequate in terms of his statutory duty, but considered that proposals to improve collaboration, such as seeking agreement on the methodology of household projections, Strategic Housing Market assessment and Strategic Housing Land Availability Assessments was beyond his remit. Any suggestions for establishing planning mechanisms for identifying appropriate sites for major new settlements, whether garden cities or urban extensions was also considered as outside his remit. It is not just housing need that raises cross boundary issues – employment provision, transport, retail policy and parking policy all have significant cross boundary implications.

This unsatisfactory position clearly demonstrates the need for some organisational structure which ensures the consistent assessment of both housing demand and housing capacity across the London metropolitan area. It is clear that the Duty to Cooperate provisions of the Localism Act will not resolve the current differences of view between London and the Home Counties planning authorities, or for that matter between neighbouring district councils outside London. Local enterprise partnerships (LEPs) have no statutory powers and therefore can only make a tangential contribution to inter-authority collaboration on strategic planning matters. It should also be noted that given the County Councils no longer have strategic planning functions, with powers being limited to the planning of waste and minerals

for areas where there is a two tier planning system – in unitary authorities, these powers are combined with district local planning functions. Consequently an agreement would require all the Home Counties districts and unity authorities to enter a joint planning agreement or a combined authority agreement with the Mayor. This would be administratively complex and would involve a very large number of authorities – almost as many as the number represented on the Greater London Regional Planning Committee which was responsible for the advisory Unwin plans of 1929 and 1933.

It is clear from the evidence presented that what is needed is not just a metropolitan region body with powers to undertake the required research and to undertake or commission a metropolitan regional plan covering the whole functional urban region, but which also has the power to set district level housing targets and which sets a basis for the allocation of sites within each district and acts as a basis for the operation of the planning appeals system. In the absence of such a plan, there is no adequate basis for a Planning Inspector to assess whether or not a specific local plan is or is not meeting requirements as set within a sub-regional and regional context.

There is also a case for arguing that for other city regions and for sub-regions outside the city regions, there should be a statutory requirement for districts to combine to carry out a SHLAA, a SHMA and to agree a city region or sub-regional plan which sets housing targets at district level based on this evidence. For the London metropolitan region, this structure has to operate for the region as a whole. We therefore need a statutory planning body established with responsibilities for an area coinciding with London's travel to work area – the functioning urban region. This authority must be democratically accountable and could comprise members elected on a grouped authorities basis similar to the constituency representatives on the London Assembly. The body would then employ a team of professional planners. It would be funded through a rate based levy on the local authorities within its area. It could be called the South East Regional Planning Authority – or SERPLAN !

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