

**INTEND TO PUBLISH LONDON PLAN****LONDON'S UNMET HOUSING NEED AND THE WIDER SOUTH EAST**

As covered in our earlier commentary, the London Plan originally proposed a housing target of 65,000 dpa when assessed against the assessed level of housing need in the Mayor's Strategic Housing Market Assessment (SHMA). Following the Examination in Public (EiP), the Inspectors in their Panel Report recommended a reduction of 13,000 dpa (a revised target of 52,000 dpa). Therefore, the Plan will result in an annualised shortfall of at least 14,000 dpa. This annual shortfall increases to 20,000 dpa when assessed against the Government's capped standard method housing need figures for London and some 40,000 dpa against the uncapped figure. This is all before one considers whether the delivery of the Plan's target of 52,000 dpa is realistic; any shortfall against the target increases the overall shortfall further still.

The Mayor has reluctantly accepted the EiP recommendation to reduce the housing target in the Plan (and thereby increase the level of unmet need). Yet, neither the EiP Panel nor the Mayor can offer any solution. In the context of the Government's ambition for increasing housing delivery nationally, this level of unmet housing need should be of great concern to all, not least the Secretary of State.

As the EiP Panel state in their report, *'the most significant strategic issue facing the wider South East for the coming decades will be how and where to accommodate [London's unmet development needs] outside of London in a way that will contribute towards achieving sustainable development'*. And yet, this is not the first iteration of the London Plan which has accepted a significant shortfall in housing provision without providing any solution for accommodating unmet need.

It is also concerning that a similar outcome through a future review of the Plan is almost inevitable unless the Secretary of State and MHCLG act now, as set out below.

**What Should Have Happened?**

The conclusion that London is unable to fully accommodate its development needs is not new. In 2014, the Inspector appointed to examine the Further Alterations to the London Plan (FALP) concluded that:

*"The [FALP's] targets... will not provide sufficient housing to meet objectively assessed need and I am not persuaded that the FALP can ensure that the additional 6,600 dpa will be delivered."*

In fact, the real shortfall in housing provision has been much greater as we have even fallen short of the FALP target. Taking account of actual completions, the annual shortfall has been at least 10,000 dpa<sup>1</sup>. In accepting the 'planned' shortfall of 6,600 dpa, the FALP Inspector concluded:

*"The evidence before me strongly suggests that the existing London Plan strategy will not deliver sufficient homes to meet objectively assessed need. The Mayor has committed to a review of the London Plan in 2016 but I do not consider that London can afford to wait until then and recommend that a review commences as soon as the FALP is adopted in 2015."*

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<sup>1</sup> [https://www.london.gov.uk/sites/default/files/amr\\_15\\_final.pdf](https://www.london.gov.uk/sites/default/files/amr_15_final.pdf) (see Table 3.2)

*"In my view, the Mayor needs to explore options beyond the existing philosophy of the London Plan. That may, in the absence of a wider regional strategy to assess the options for growth and to plan and co-ordinate that growth, include engaging local planning authorities beyond GLA's boundaries in discussions regarding the evolution of our capital city."*

Therefore, whilst the FALP resulted in a substantial level of unmet housing need, the Inspector did at least recommend that the Mayor undertakes an immediate review (not that one was achieved) and, in doing so, engage with the wider South East authorities. At the time, the GLA accepted that dialogue with the wider South East and effective regional cooperation would be vital if London's needs were to be accommodated. There was no dispute that London could not accommodate its development needs, then or into the future; a cross-boundary approach would be required.

## **What Has Happened?**

### Cross Boundary Collaboration

Since the adoption of the FALP in 2015, the Greater London Authority (GLA) and local authorities in the wider South East have been engaged in collaborative working to discuss strategic planning matters<sup>2</sup>. This has included political and officer level cooperation at regular meetings and annual summits. There is no dispute that there has been ongoing engagement including to share evidence of development and infrastructure needs and how those needs could be accommodated.

But this structure for strategic planning has failed to resolve the fundamental and challenging issues about how high levels of growth and development could be planned and accommodated across London and the wider South East. The EiP Panel's scathing assessment of the structure for strategic collaboration between the Mayor and the wider South East authorities is entirely justified given the social and economic impacts associated with the failure, by some margin, to meet housing need.

The EiP Panel state that there are no 'easy solutions' for significantly adding to development pressures that areas in the wider South East already face. In fact consideration was given to a suspension of the EiP, in order to allow further work to be done, the prospect that the Plan should be withdrawn all together given the degree of concern over the extent of unmet need. Considering the EiP Panel state it is a 'major concern' that the Plan's housing targets are so far below the SHMA OAN (let alone the higher standard method figures), either recommendation would have been justified, but, in much the same way as the FALP Inspector, the EiP Panel instead conclude that it is better to proceed with the adoption of the Plan rather than delay.

The obligations of the Mayor under the duty to inform, as opposed to the duty to cooperate, have allowed both the Mayor and the wider South East local authorities to avoid finding the key to resolving the issue of accommodating London's development needs. Surely the legislative requirements must be amended if this is to change?

### Green Belt

In seeking to reduce the scale of unmet development needs arising through the next review of the Plan, the EiP Panel recommended that the Mayor lead a strategic and comprehensive review of the Green Belt in London. Furthermore, modifications to Policy G2 of the Plan were recommended to ensure that it is consistent with national policy, including allowing for alterations to Green Belt and/or Metropolitan Open Land (MOL) boundaries to be undertaken through the local plan process.

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<sup>2</sup> <https://www.london.gov.uk/about-us/organisations-we-work/policy-and-infrastructure-collaboration-across-wider-south-east>

Having regard to the challenges of securing effective strategic planning in the future, it is also imperative that London approaches Green Belt on a 'level playing field' with the wider South East authorities who will likely need to release land from the Green Belt to accommodate new development and may well continue to ask, 'why should we release more Green Belt for London's unmet needs if London isn't removing any?'. Therefore, the EiP Panel's recommendations relating to Green Belt also provide a clear basis for the Mayor, working with the wider South East authorities, to avoid the next review of the Plan resulting in a nationally significant level of unmet housing need.

These modifications to the Plan's approach to Green Belt and MOL would have enabled some London Boroughs to identify sufficient land to achieve (or at least get closer to achieving) the housing and industrial targets set out in the Plan. It appears that the EiP Panel's recommendations in this regard went some way to justifying its judgement that the Plan should progress to adoption as opposed to delay in order to reduce the substantial level of unmet need.

Given all of this, the Mayor's rejection of the EiP Panel's recommendations relating to Green Belt are of major concern to us, the industry at large and we would therefore hope the SoS. But given this political hot potato, how likely are we to see a different approach?

### What Needs to Happen Next?

For the reasons set out above, notably the nationally significant level of unmet housing need which will arise from this Plan (between 14,000 dpa and 40,000 dpa approx.), the SoS has not been given an easy task in considering whether to intervene. The SoS could potentially direct the Mayor to accept the EiP Panel's recommendations relating to Green Belt or take an even more severe approach in seeking to resolve the unmet development needs now.

Looking ahead to the next review of the Plan, the following will need to be resolved in seeking to achieve an effective outcome:

1. **Legislative change** – Section 33A of the Planning and Compulsory Purchase Act 2004 should be amended so that the duty to cooperate applies to the preparation of a spatial development strategy.
2. **An Effective Structure for Strategic Planning** - The establishment of an effective structure for strategic planning between the GLA and the Wider South East authorities. As [suggested by the Panel](#), the current arrangements have and will continue to fail
3. **A Strategic Plan for Growth** - The preparation of a plan for accommodating the additional development pressures arising from London within the wider South East. This exercise should be informed by evidence assembled through the new effective structure for strategic planning and will inform the next review of the London Plan and Local Plan preparation across the wider South East. This strategy/plan should identify the potential within strategic growth areas to accommodate additional development, for example, the Oxford-Cambridge Arc and the Thames Estuary.

These recommendations go beyond whether or not the SoS directs the Mayor to make further modifications to the Plan. It requires MHCLG (or whatever it may evolve into during 2020) to intervene in the future planning of the wider South East. Otherwise, London and therefore England, will continue to fall substantially below meeting housing needs.