

SLP Response to the London Housing Strategy

1. Introduction

- 1.1. The South London Partnership (SLP) is a sub-regional collaboration of five London boroughs: Croydon, Kingston upon Thames, Merton, Richmond upon Thames and Sutton. Through collaboration – between ourselves and with local public, private and voluntary and community sector partners – the South London Partnership is committed to accelerating and increasing the potential for economic growth in this area, beyond what we can achieve individually. South London has a critical role to play in the capital's economic future. It currently houses a £28billion economy with great opportunities for growth which can support and alleviate pressure on central London.
- 1.2. The SLP welcomes the opportunity to respond to this draft London Housing Strategy. We support in principle all five of the priorities identified in the strategy although this sub-regional response will respond to the first three: *Building homes for Londoners; Delivering genuinely affordable homes; and Ensuring high quality homes and inclusive neighbourhoods*. The other priorities are important to all the SLP boroughs but are not currently areas of sub-regional collaboration. We ask the GLA to note SLP boroughs' individual responses to all the priorities in addition to the points made in this response.
- 1.3. It is clear across London and the south east of England that the demand for housing is not being met by current rates of delivery and we support the strategy's recognition of this. It should be recognised that the particular challenge of increasing housing supply is not just a London wide challenge but one that requires a joint effort with other regions such as those neighbouring outer boroughs. Nonetheless we are committed to delivering more homes in the sub-region and welcome the strategy's commitment to ensuring that new homes are high quality, safe, support London's shift to a low carbon future, and are built in partnership with Londoners themselves.
- 1.4. We are disappointed in the confusion that has been created by the publication within a six week window of three documents: DCLG's 'Planning for the Right Homes in the Right Places', the London Housing Strategy and the publication of the new London Plan borough targets. In particular the differences in methodology and effect of the DCLG and London Plan numbers have caused confusion both for councils and for the public and more should be done to clarify the relationship between these numbers.
- 1.5. Both sets of numbers are for many SLP boroughs unrealistic and detail on our response to the methodology will be included in SLP and borough responses to the London Plan. We see the publication of higher targets without clear resources to deliver them, in

terms of available land, an available skilled workforce or necessary public funding, as actively counterproductive.

- 1.6. However these concerns should not obscure the fact that the SLP boroughs are committed to building more homes in conjunction with the necessary transport and social infrastructure to ensure they become sustainable communities. Our ambition can be seen in the fact that four of our boroughs have set up Local Housing Companies to help deliver more homes locally.

2. Housing for a polycentric city

- 2.1. The SLP is committed to a vision of an increasingly polycentric London where Londoners can buy and rent homes all over London and know they have the option to find good jobs and leisure opportunities within in easy commute. This means that these jobs and leisure options need to be not just in central London but in a number of key centres which have good transport connections between them.
- 2.2. As New London Architecture said in its recent report *London's Towns: Shaping the Polycentric City*, "London's towns are the essential fabric of its everyday life: the multitude of 'stars' in the capital's 'constellation' that act as focal points for local communities, giving places distinctive identities."
- 2.3. London has always benefitted from its organic growth which linked it with existing towns creating a distinctive web of links and settlements distinct from many other large cities. And outer London has been a key contributor historically as its population has steadily increased throughout the post war era while inner London dipped and resurged. Its consistent strength is demonstrated by how its rental growths continue to grow post-Brexit while inner London dips.
- 2.4. But it is crucial that all of the Mayor's strategies are aligned to make sure this strength is fully realised in planning the future of the city. Given London's legacy infrastructure and its particularly striking gap between employment and residential densities, we are concerned that there are now limited returns to expecting more and more people to travel into central London from homes in inner, outer and beyond London. To deliver the Mayor's good growth so that it is socially, spatially and economically inclusive and brings out the best of existing places, housing growth needs to be linked to more local job opportunities.
- 2.5. Focusing opportunities on central London not only fails to offer options that work for all Londoners but it makes it harder to persuade existing residents of the value of the homes that the capital needs to build. It is crucial that residents feel that the new

homes will not just increase congestion on commutes into central London but make contributions to the local community and economy. The strategy is right to recognise that building community support for housebuilding is crucial for delivering its aims and ensuring that housing is linked to strong town centres is an important part of building that support. Without that support we risk not building the houses and infrastructure that London needs.

2.6. A polycentric city provides more opportunities for economic diversity and a greater quality of life for residents by offering more Londoners a mix of affordable housing types within easy commute of decent jobs and services. This allows Londoners with caring responsibilities or low incomes to have greater access to jobs and provide an economy that works for all Londoners.

3. Key issues for delivering more and better housing in the South London Partnership

3.1. There are three key issues where we want to work with the Mayor's agencies to provide the conditions necessary for a real improvement in the number of good homes being built in South London.

- 1) Ensure there is sufficient infrastructure to create inclusive neighbourhoods
- 2) Ensure that allocation of housing funding provides for homes in South London
- 3) Ensure that the construction workforce is available to deliver the houses needed

Infrastructure for inclusive neighbourhoods

3.2. The South London Partnership currently has a sustainable transport deficit compared to other parts of the city. There are twice as many tube stations outside London as there are within the sub-region. The London average for trips by sustainable transport (walking, cycling or public transport) is 64% but in the SLP it is 47.5% with some boroughs as low as 42% and some neighbourhoods significantly less than this.

3.3. The SLP is supportive of the principle of increasing housing above and around major transport hubs but many site allocations are not well situated for existing transport infrastructure. Housing in these areas without improved transport infrastructure risk local opposition, delays by developers and neighbourhoods that fail to meet the aims of Good Growth and the aspirations of the Mayor's Transport Strategy and the London Housing Strategy.

3.4. We are delighted that TfL and the GLA wish to work in partnership with us to develop a Sub-regional Transport Strategy which is clear about where potential growth will be and the transport it will need. We hope this can help increase the amount of Good Growth

in the sub-region particularly if the investment can be found to deliver the necessary schemes.

- 3.5. Beyond transport, there will need to be close coordination between boroughs and the GLA to ensure that housing plans are aligned with the provision of necessary social infrastructure to serve those new residents. In particular there is a need to address the coming secondary school place shortage.

Allocation of funding to South London

- 3.6. We are conscious that on many methods of calculating allocation of the Mayor's £3.15bn affordable housing investment fund there would be reasons for the SLP allocation to be small. Land values are high, extremely high in some places; the amount of land owned by public bodies, particularly Mayoral agencies, is relatively small. This calculus is reflective in many of the choices that Registered Providers currently make.
- 3.7. However we urge the Mayor to ensure that a sensible proportion of investment is directed towards the sub-region. If affordable housing continues to be focused in particular areas this is likely to exacerbate existing differences in land values making it ever harder for key workers and residents on low incomes to live in the sub-region. This poses a risk to services being appropriately supplied in the sub-region and raises concerns about fairness and social integration.

Developing the workforce we need

- 3.8. As well as increasing the capacity of the public sector through local housing companies and planning departments, delivering more homes on small sites also requires more small developers. And small developers will not be able to deliver on these sites unless they have access to a skilled workforce. There may be some opportunities to take advantage of offsite technologies but smaller sites will be dependent on a workforce that is able to be on site.
- 3.9. This is why we welcome the focus in the London Housing Strategy on skills. In 2015/16 there were only 210 apprentices in construction across South London compared to over 880 in retail, 1,600 in Health and Social Care and 1,700 in Business Administration. Over a thousand construction jobs were lost between 2010 and 2015. Despite this our own research for the South London Skills Strategy has identified construction as an economic hotspot for the sub-region not just because of housing delivery but also due to transport plans such as Crossrail 2 and Tram extensions.

- 3.10. The South London Skills Strategy has 3 key aspirations:
- The creation of pathways to deliver more opportunities for underrepresented learners;

- An increase of employer ownership and investment in skills; and
- Better skills alignment with growth and strategic sector needs.

3.11. We look forward to working with the GLA to ensure that South London and the whole capital are able to develop the skills that are needed to deliver more homes. However we also recognise this is a long-term process and that other steps will be needed to increase capacity in the short run.

4. Supporting the Mayor's lobbying agenda

4.1. A significant part of the strategy highlights areas where London does not have sufficient powers to deliver the housing it needs. The SLP supports many of these demands in particular those calling for the removal of barriers to Local Authorities building more homes.

4.2. The barriers that need to be removed include:

- **Removing the HRA cap so that boroughs have the option of borrowing to meet demand:** The HRA cap is vital in the sub-region and would be quickly taken up by those boroughs that build their own homes such as Sutton and Croydon.
- **Not enacting the provisions in the Housing and Planning Act which require the disposals of High Value Assets:** There are implications in respect to loss of stock to meet immediate demands but also boroughs recognise that the strategic use of assets can help achieve an increased build of affordable homes. We also want it acknowledged that if a council stock holder elects to sell an asset they should retain 100% of receipt for reinvestment.
- **Removing the uncertainty around social rent reduction** which is making it difficult to invest.

4.3. However the most difficult barrier to building more homes either directly or through development is the viability process. There is a growing consensus between local authorities, developers and regional government that the current viability process is complex and lacks transparency. It serves no party well and often can be seen by local residents as not meeting local expectations in relation to the delivery of affordable housing intended for local residents.

4.4. [Viability and the Planning System: The Relationship between Economic Viability Testing, Land Values and Affordable Housing in London](#) is a report commissioned by a series of London Boroughs including two SLP boroughs Merton and Croydon. It looks at why, despite land values going up, the amount of affordable housing has decreased in London in recent years. We believe the Mayor should demand the government

responds to its analysis and recommendations to ensure that Site Level Economic Viability Testing is revised to allow for more affordable housing to be provided

- 4.5. We look forward to working with the Mayor and other boroughs in lobbying for these powers and ensuring that all parts of London government have the tools they need to deliver a polycentric city which provides more homes in sustainable communities.