



Examination of the Basingstoke and Deane Local Plan (2011 to 2029)

Basingstoke and Deane Borough Council Rebuttal Statement

Issue 1: Legal Requirements and Duty to Co- operate

2 October 2015

1. **Legal Requirements:** Does the Plan meet all its legal requirements (e.g. in relation to the Local Development Scheme; Sustainable Community Strategy; Statement of Community Involvement; and Local Development Regulations, 2012)?
2. **Duty to Co-operate (DTC)**
 - 2.1 Has the Council **worked collaboratively** with other authorities and organisations during plan preparation on strategic planning matters that cross administrative boundaries?
 - 2.2 In particular has the Plan's approach to determining its housing requirements and provision been **compatible with** that of **neighbouring authorities**? [A critical factor is that the duty to co-operate (DTC) is incapable of modification at the Examination stage].
 - 2.3 Has the Council worked or liaised with the **relevant bodies set out in the PPG**? How has the Council also co-operated with the relevant **Local Enterprise Partnerships (LEPs)** and **Local Nature Partnerships (LNPs)**?
 - 2.4 What particular **outcomes** can the Council point to in relation to DTC?

1. Issues Raised

- 1.1 A small number of objectors have argued that the council has failed to demonstrate its Duty to Cooperate, primarily in relation to meeting the Objectively Assessed Need for housing. (OAN). Key issues raised are outlined below:
 - The HBF state that it is not credible for the borough to be considered as a single Housing Market Area and question the assumptions that underlie the OAN. Taylor Wimpey contend that the plan does not meet its legal requirements, and state that the housing figure does not represent the OAN and therefore there is unmet need which will impact on neighbouring authorities. They also state that the council has not approached neighbouring authorities to seek help in meeting this unmet need. They also raise the approach by Test Valley Borough Council to consider the possibility of taking 86 affordable dpa.
 - The HBF state that the council should consider how the effects of under-provision in other areas such as London, Berkshire and Surrey will impinge on the borough's housing need. A similar point is made by Taylor Wimpey who contends that the demonstrable unmet needs within neighbouring authorities such as Test Valley have not been addressed. Gladman notes that council must demonstrate it has worked collaboratively with neighbouring authorities.

- The HBF and Judith Ashton Associates purport that the local plan is not making an appropriate contribution to supporting the LEP growth plan.
- Judith Ashton Associates consider that the council has not provided evidence that a robust framework within which co-operation could be monitored has been established and there is no evidence that engagement has been on-going, collaborative and diligent. Also, there is no memorandum of understanding or a jointly prepared strategy presented as evidence of an agreed position in either DTC document.
- Judith Ashton Associates argue that the borough does not have a 5 year land supply and therefore should work with neighbouring authorities, under the duty to co-operate, to address this.

2. Rebuttal

- 2.1 The Duty to Cooperate relates to activities prior to submission and is a separate test to the test of soundness. The Plan was submitted for independent examination on 9 October 2014 and at that point its preparation ceased and its examination began. Events occurring after 9 October 2014 are not directly relevant to the discharge of the Duty to Cooperate since the Duty had to be complied with prior to submission. The Inspector's task is to assess whether it is reasonable to conclude that the council 'complied' with the Duty to Cooperate when preparing the Plan, in so far as the Plan relates to 'strategic matters'.
- 2.2 The council's approach to establishing its OAN and the assumptions that underlie it are outlined in the Housing Topic Paper (TP01) in relation to the evidence base when the Plan was submitted. This position has since been updated in the Housing Needs Statement (Aug 2015, PS/02/47) and the council's statements in relation to Issue 3 of the Inspector's key issues.
- 2.3 At the time of submission, there were no strategic matters likely to have a significant impact on two or more planning areas which had not been addressed through the Duty to Cooperate, as set out in the Duty to Cooperate Statement. In order for the OAN to be a Duty to Cooperate issue, the Plan would have to have been prepared on the basis that it was not meeting the OAN for the borough or some other LPA would have had to have made representations that the Plan should meet some unmet need from that LPA's area. In either case any such under-provision would need to be of a nature that it would result in development likely to have a significant impact on two or more planning areas. However, the Plan was prepared on the basis that it was meeting what the council considered to be its OAN. Whilst some objectors in their pre-submission representations took a different view of the OAN, this was not accepted by the council. The different views about the OAN are a matter relating to soundness rather than a matter relating to the Duty to Cooperate. The Council did not expect any neighbouring authority to meet any identified unmet need.

Conversely no neighbouring authorities have stated that they expect Basingstoke and Deane to meet their needs.

- 2.4 Representors have referred to the fact that during their local plan examination in December 2014, Test Valley BC requested an officer view of the council's position whether it would be able to help the TVBC shortfall in affordable housing OAN (86 houses short pa). However, this request was made after the Plan had been submitted and so is not a matter which relates to the Council's discharge of the Duty to Cooperate.
- 2.5 In relation to meeting the under-provision in London, the findings of the Inspector's report on the Further Alterations to the London Plan (FALP) was not published until November 2014, after submission of the Local Plan. Prior to this date, there was no indication that London's needs would not be met by London. The FALP was prepared on the basis that it would accommodate all of the growth to meet London's needs within its own boundaries (see paragraph 10 of the FALP Inspector's report). Relevant extracts of the FALP Inspector's report are included in Appendix A. The council consulted the Mayor of London as part of the pre-submission consultation undertaken on the Plan but no representations were received in response. There was nothing therefore to suggest that there was any strategic matter arising in relation to London's needs that should be addressed by the council under the Duty to Cooperate. The council could not be expected to address issues which had not come to light prior to submission of the plan.
- 2.6 Since submission, the council has attended the London summit on 19 March 2015 to discuss arrangements for coordinating future discussions on strategic needs, including housing, across the wider south east. The council continues to be involved in these discussions.
- 2.7 It is understood that there will be a further summit in December 2015 confirming the engagement arrangements. At present, the Mayor is committed to meeting London's housing needs in the capital itself and although London may need to look at options for meetings its needs beyond its boundary, there is, as yet, no agreement as to how the housing needs of London may be addressed more widely. This issue was recently considered by the Inspector at Canterbury's examination in public, who concluded it would be premature to plan with any certainty about whether or how the London effect would impact upon the borough:

"The possibility that London may not be able to accommodate all its housing needs arose in the Report of the Inspector who examined the Further Alterations to the London Plan, published in November 2014. The Mayor/Greater London Authority have begun a process of dialogue with Councils in the South East in which Canterbury are participating and will no

*doubt continue to do so as appropriate. However, the aim of boosting significantly the supply of housing would not be best served by delaying the Plan until it is clear whether Canterbury should be in receipt of any unmet needs. This should be considered in a future review of the Plan if necessary.*¹

- 2.8 In relation to any undersupply in Surrey and the wider Berkshire area, since submission the council has discussed housing need with its neighbouring authorities as required by the guidance and therefore any more local implications of any wider issues will be addressed through these discussions.
- 2.9 In terms of the criticism regarding the lack of evidence of on-going, collaborative and diligent discussions, the Duty to Cooperate statement and update (CD08 and PS/02/24) provides a clear summary of the detailed collaborative working that has taken place over the plan's evolution. Whilst the Duty to Cooperate statement does not comment on every detailed issue discussed, such as the detailed elements of the plans approach to its housing requirement or how this has related to the approach adopted by adjacent authorities, such issues are clearly inherent within wider discussions, particularly in terms of housing need, as reflected in the detailed comments received from neighbouring authorities in relation to such elements as migration assumptions etc. The guidance in the duty provides a suitable framework for collaboration against which monitoring has been established. Memorandums of Understanding of been produced where suitable, as stated in the duty statement such as with Thames Water and Environment Agency, and also Hampshire County Council in their role as highways authority. Such statements have been published and do not need to form part of the Duty to Cooperate statement itself.
- 2.10 In terms of five year supply, the Council considered that it had a supply of 5.3 years when the Plan was submitted (Table 12 of the Housing Topic Paper TP01, page 42). This used the Liverpool method of calculating supply. As outlined in the Updated Housing Land Supply Statement (PS/02/43) this is considered a suitable approach given recent market conditions and the high levels of housing delivery required in the borough. National guidance also indicates that a method other than Sedgfield can be used to calculate land supply. As the trajectory in the Housing Topic Paper showed, at the time of submission all but 63 dwellings of the 717 dwellings under supply from 2011 would be made up by the projected completions in the next 5 years. Those 63 dwellings would then be achieved within the following year (i.e. by 2019/20 instead of by 2018/19). The scale of under supply not met within the next 5 years was not realistically a "strategic matter" that itself would engage the Duty

¹ Canterbury District Local Plan - Note on main outcomes of Stage 1 hearings. Inspector: Mike Moore BA (Hons) MRTPI CMILT MCIHT. 10 August 2015
<https://www.canterbury.gov.uk/planning/planning-policy/local-plan/>

to Cooperate. It was considered reasonable for the council to take the view that the under supply would be addressed by the Plan's housing provision rather than expecting its neighbours to make provision for that housing. This was a legitimate planning judgment made by the council in formulating the Plan. Whilst views may differ over the period in which any shortfall should be addressed, this is a matter relating to soundness rather than non-compliance with the Duty to Cooperate.

- 2.11 In terms of the Local Enterprise Partnership, they have expressed broad support for the Plan as outlined in the council's response to Inspector's key Issues (paragraph 2.3.2). They also responded positively to the proposed modifications consultation in June 2015, with support for both the revised housing number and the jobs target.
- 2.12 In light of the above, the council considers that it has fulfilled the Duty to Cooperate by engaging constructively, actively and on an on-going basis during the Plan preparation process, and it continues to do so.

Appendix 1- Extracts from the EiP Inspector's Report from the Further Alterations to the London Plan



Report to the Mayor of London

by Mr A Thickett BA(HONS) BTP MRTPI Dip RSA

an Inspector appointed by the Secretary of State for Communities and Local Government

Date: 18 November 2014

GREATER LONDON AUTHORITY ACT 1999

PART VIII

REPORT ON THE EXAMINATION IN PUBLIC INTO THE FURTHER ALTERATIONS TO THE LONDON PLAN

Examination in Public hearings held between 1 and 18 September 2014

File Ref: SDS0024

Introduction

1. This report contains my assessment of the Further Alterations to the London Plan (FALP) in accordance with the terms of the Greater London Authority (GLA) Act 1999 (as amended) and the Town and Country Planning (London Spatial Development Strategy) Regulations 2000 (the Regulations).
2. The Mayor's London Planning Statement² refers to the requirement in Section 41 of the GLA Act that the London Plan should be consistent with national policy. This is set out in the National Planning Policy Framework (NPPF) which is supported by the National Planning Practice Guidance (PPG). The guidance in the NPPF about plan making generally refers to Local Plans. However, in light of the above and in the absence of anything else, I consider it reasonable and appropriate to apply the soundness tests of paragraph 182 of the NPPF to the proposed alterations, namely that the FALP should be positively prepared, justified, effective and consistent with national policy.
3. The starting point for the examination is the assumption that the Mayor does not consider that the Further Alterations affect the soundness of the London Plan. The FALP was published for consultation in January 2014³ and the Mayor published a Schedule of Suggested Changes in July 2014⁴ (SSC). These suggested changes were considered alongside the FALP during the EiP hearings. During and after the EiP hearings the Mayor put forward a number of further suggested changes (FSC) and a consolidated set of all the changes suggested by the Mayor has been published⁵.
4. Unaltered policies text, tables, maps and figures are not subject to this examination and I have not considered responses outside the scope of the proposed further alterations. This report does not refer to every suggested change, whether it be made by the Mayor or others, or comment on all the representations made whether orally at the hearings or in writing. This report focuses on the matters and issues I consider to be crucial to the soundness of the FALP. Unless specifically referred to in this report, I recommend that the GLA adopts all the suggested and further suggested changes put forward by the Mayor⁶. Any Inspector Recommended Changes are identified in bold in the report (**IRC**) and are set out in full in Appendix 1.

Duty to Co-operate

5. The Mayor's duties to consult and inform are set out in the GLA Act and the Regulations. The Mayor sets out in FA/EX/03 how the statutory requirements to publicise and consult were met and exceeded. Section 33A of the Planning and Compulsory Purchase Act 2004 imposes a duty on local planning authorities and other prescribed bodies/persons to engage constructively with one another with regard to strategic planning matters. The duty to co-operate, therefore, requires more than just to consult and inform.
6. The Mayor is a prescribed person under the Town and Country Planning (Local

² FA/KD/02; adopted as supplementary planning guidance in May 2014

³ FA/CD/01

⁴ FA/CD/06

⁵ FA/EX/64b

⁶ FA/EX/64b

Planning)(England) Regulations 2012 and is bound by the duty to co-operate to engage constructively with London Boroughs, local planning authorities and others inside and outside London in the preparation of their plans. That is not in dispute, but was the Mayor, as argued by some representors, legally bound by the duty with regard to the preparation of the FALP?

7. Section 33A(3) lists the activities to which the duty applies. The first activity is the preparation of development plan documents. The London Plan is part of the development plan for London but the Mayor points to Section 38(2) of the 2004 Act which defines the FALP as a spatial development strategy and not a development plan document. Section 33A(3)(d & e) apply the duty to any activities that can reasonably be considered to prepare the way for or support the preparation of development plan documents. The preparation of the FALP is an activity in its own right but it must, in my view, also prepare the way for and support the preparation of development plan documents.
8. It was argued at the hearing that London Boroughs could prepare their Local Plans in the absence of a spatial development strategy but Section 24(1)(b) of the 2004 Act requires such plans to be in general conformity with the FALP. The FALP sets out housing targets that the London Boroughs will be expected to plan for and sets out other requirements which will guide the preparation of development plan documents. In my view, therefore, the duty to co-operate does apply to the preparation of the spatial development strategy in London. The Strategic Housing Market Assessment (SHMA) and Strategic Housing Land Availability Assessments (SHLAA) supporting the FALP are London wide in their scope but are also activities which will support the preparation of development plan documents. The SHMA, which includes assumptions relating to migration, is also likely to be material to the preparation of local plans outside London.
9. The PPG states that; '*Cooperation between the Mayor, boroughs and local planning authorities bordering London will be vital to ensure that important strategic issues, such as housing delivery and economic growth, are planned effectively*'.⁷ The Mayor has engaged with London Boroughs, particularly with regard to the production of the SHLAA. FA/EX/68 sets out how the Mayor engaged with relevant prescribed persons including the Environment Agency, English Heritage, Natural England and Transport for London (TfL). In April 2012 the functions of the Homes and Community Agency for London were devolved to the Mayor and the relevant officers were involved in preparing the FALP. The London Local Enterprise Partnership (LEP) is chaired by the Mayor and the relevant officers were again engaged in preparing the further alterations. In light of the above and having considered the evidence contained in FA/EX/03 and FA/EX/68, I consider that the Mayor has satisfied the duty with regards to bodies within London.
10. The FALP seeks to accommodate all of the growth to meet London's needs within its own boundaries. Nonetheless, the Mayor has engaged with local planning authorities and others outside London and has established the Strategic Spatial Planning Officer Liaison Group and the Deputy Mayor for Planning has met elected members from the south east. I have seen nothing to counter the assertion that LEPs outside London have been involved in cross boundary co-operation discussions since 2012.

⁷ Reference ID: 9-007-20140306

11. The PPG states that the *'Mayor and waste planning authorities in London should engage constructively, actively and on an ongoing basis with other authorities, under the duty to cooperate, to help manage London's waste'*⁶. There are complaints of a failure to engage from adjoining waste authorities. The FALP predicts a reduction in waste to a level at which London will be self-sufficient by 2026 and so arguably puts less pressure on surrounding waste planning authorities than the existing London Plan. Nevertheless, it is apparent from the representations and from the discussion at the hearings that the Mayor did not engage constructively with adjoining waste planning authorities in formulating the FALP.

12. Under Section 20(7)(C) of the 2004 Act it is not possible to rectify a failure to meet the duty to co-operate and if the duty has not been met, a development plan document cannot be found to be sound. However, as has already been established, the FALP is not a development plan document nor is the GLA a local planning authority. In a strict legal sense, therefore, the failure of the Mayor to comply with the duty does not automatically mean that the FALP cannot be found to be sound. However, the implications of a failure to engage must be assessed and a judgement reached as to whether a lack of engagement means the approach to waste in the FALP is justified and effective. I address these matters in detail later.

Issue 2 – Given that the FALP sets out the objectively assessed housing need for London should London Boroughs be required to undertake their own assessments?

18. The NPPF at paragraph 47 requires local planning authorities to, amongst other things, *'use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area'*. The guidance in the NPPF regarding plan making is silent with regard to how responsibilities should be divided in a two tier system as exists uniquely in London. The London Plan is part of the development plan for London and, in my view, it must be right that read together with the development plan documents produced by London Boroughs, the development plan should be consistent with national policy.
19. However, in a two tier system there should be no need for each part of the development plan to include the full range of policies necessary to accord with all parts of the NPPF or PPG, provided that together they do (as far as is necessary) and are consistent with national policy. The PPG advises that there should be no need to reiterate policies that are already set out in the NPPF in Local Plans¹². It seems to me that the same principle should apply to a spatial development strategy. Further, to avoid unnecessary duplication and potential confusion, there should be no need for a local plan in London to reiterate policies set out in the FALP.
20. Section 334 of the GLA Act requires the Mayor to prepare a spatial development strategy. That plan must include a statement formulating the Mayor's strategy for spatial development for the use of land in Greater London. Housing need, supply and distribution are undisputedly strategic matters in London. I conclude below that the Mayor's estimate of objectively assessed housing need in London is justified by the evidence submitted to the EiP. Further, although I have reservations, I also consider that the FALP's strategy with regard to supply and distribution can be supported in the short term.
21. Once adopted, statute will require the local plans produced by London Boroughs to be in general conformity with the FALP. That includes conforming with a strategy which seeks to meet London's needs on brownfield land within the existing built up area. The SHLAA identifies most of the existing capacity

¹² FA/CD/05

¹³ Reference ID:12-010-20140306

and, effectively, through the SHLAA, the FALP has determined the extent to which individual Boroughs can contribute to meeting the strategic need for housing across London. Within the confines of the FALP's strategy there is little scope to do more.

22. I acknowledge that the NPPF requires each local planning authority to identify its own objectively assessed housing need. However, in my view, it is the role of the spatial development strategy to determine the overall level of need for London and to guide the distribution of new housing to meet that need. The Mayor points to the acceptance by previous EIP Panels that London constitutes a single housing market area with sub markets which span Borough boundaries. The Mayor also points to the findings of the High Court¹⁴, following a challenge to the Revised Early Minor Alterations to the London Plan, within which in his (undisputed) opinion, the Court accepted that although local variations exist, this did not compromise the view that London constitutes a single housing market area¹⁵.
23. Other than some fine tuning regarding local need relating to the size and type of property and tenure, there is no need, in my view, for each London Borough to duplicate the work done by the GLA and produce their own individual assessment of overall need. **IRC1** recommends that the FALP is changed to reflect this approach by removing references to London Boroughs needing to identify objectively assessed need with regard to the quantum of new housing in their areas.

Issue 3 – Whether the FALP's strategies, targets and policies will enable London Boroughs to meet the full, objectively assessed needs for market and affordable housing in Greater London.

The overall need for new housing

24. The PPG advises that the starting point in assessing objectively assessed need for new housing should be the latest household projections produced by the Department of Communities and Local Government (DCLG)¹⁶. However, the PPG also recognises that DCLG's projections may require adjustment to reflect factors affecting local demography. The Mayor has chosen not to rely on DCLG's projections for reasons set out in detail in his statement to the EIP¹⁷. In brief, the Mayor considers that the methodology underpinning the Office for National Statistics (ONS) 2011 subnational population projections (SNPP) has led, in London, to distorted projections of births, deaths and internal migration flows.
25. The Mayor's approach to population projections was explained at the Technical Seminar and is set out in FA/KD/03g. The GLA's assessment is thorough, based on sound methodology and on logical assumptions. The Mayor's contention that the GLA's population projections have proven to be more accurate than the 2011 based SNPP when measured against the ONS mid-year population data is not disputed. DCLG's household projections for London are based on the 2011 based SNPP and, in the circumstances, I am satisfied that

¹⁴ FA/BD/99

¹⁵ 01/Session 2, paragraphs 2b3

¹⁶ Reference ID: 2a-015-20140306

¹⁷ 01/Session 2, paragraphs 2a3 to 2a19

the Mayor is justified in carrying out his own assessment. The projections are also used by TfL, by many London Boroughs with regard to projected school rolls and to inform other Mayoral strategies. The benefits of using a consistent set of statistics to inform the wide range of plans and strategies being implemented across London weighs in favour of the Mayor's approach.

26. The GLA accepts that there is a significant degree of uncertainty regarding the impact of the recession and recovery on migration. Net domestic out migration from London fell from around 70-80,000 per annum (pa) pre 2008 to 32,000 pa the year after. Levels have begun to increase as the economy has recovered but the trend is difficult to predict. The reasons for this are set out in the SHMA¹⁸ and are far too long and complicated to go into in detail here but are mainly due to difficulties in obtaining accurate/reliable data and the volatility of migration flows which can be affected significantly by changes in the economy, government policy and world events.
27. The SHMA considered three migration scenarios, one based on migration trends being unaffected by the economic recovery, the second assuming a return to pre-recession 'norms' and the third, mid-way between the other two representing a partial return to previous trends. These scenarios resulted in London's population being estimated to rise from 8.2m in 2011 to between 9.8m and 10.4m in 2036. The high and low variants are both plausible and the Mayor is criticised for choosing the central path. However, given the inherent uncertainties set out above and the tentative state of the economic recovery, it seems reasonable not to plan on the basis of the 'extremes'.
28. The central projection assumes that London's population in 2036 will be 10.11m. The GLA's demographers then applied the same methodologies and assumptions used by DCLG to formulate household projections. The outcome is that meeting London's objectively assessed need (including the backlog) over 10 years would require a build rate of 62,000 dwellings per annum (dpa). Meeting need over 20 years would require a rate of 49,000 dpa.
29. Concerns are raised by community groups that the SHMA does not take sufficient account of affordability and does not distinguish between affordable rent, social rent or take sufficient account of minority groups. However, the SHMA complies with the PPG with regard to the assessment of affordable housing and also includes assessments of groups such as students, the disabled and the elderly. The SHMA does not refer to market signals but does recognise the significant problems of affordability in London.
30. The GLA acknowledge that the projections are uncertain, particularly with respect to migration, and this is the main reason why a review of the Plan is planned to start in 2016. However, it seems to me, having considered all the evidence and the submissions, that they are reasonable and probably the best available assessment of objectively assessed housing need for London at this time.

Will the FALP deliver enough homes to meet the identified need?

31. Table 3.1 of the FALP sets targets for the London Boroughs which total 42,389 dpa, around 6,600 dpa short of what is necessary to meet objectively

¹⁸ FA/KD/09, paragraphs 3.10 to 3.34

assessed need over 20 years. The Mayor expressed confidence at the hearings that; by maximising opportunities in town centres, on surplus Strategic Industrial Land (SIL) and in Opportunity Areas, 49,000 dwellings a year could be granted planning permission but was unwilling to commit to increasing the target.

32. Paragraph 3.18 of the FALP warns London Boroughs that for their local plans to be found sound '*they must demonstrate they have sought to boost supply significantly by meeting the full objectively assessed needs for market and affordable housing in the housing market area*'. FSC3.1 and FSC3.3 introduce a requirement for London Boroughs to, amongst other things, meet the target set out in Table 3.1, relate this to their own assessment of need and address any gap between supply and need by seeking to exceed the target. It goes on to state that this should be done by, amongst other things, finding additional sources of supply and through the duty to co-operate.
33. The GLA's officers stated at the EiP that they would work with the Boroughs to increase supply and to ensure that local plans are in general conformity with the FALP. However, in order to be in general conformity with Table 3.1, Boroughs need only meet their individual targets. In the absence of any clear guidance as to exactly how and where the additional 6,600 dpa will be found it is difficult to see how a housing target in a local plan would not be in general conformity if it made provision for the figure in Table 3.1 and no more. There is no mechanism in the FALP to indicate how the 6,600 dpa would be apportioned or distributed. Without this I do not see how the Mayor can guarantee the delivery of the additional 6,600 dpa necessary to meet the identified need.
34. I say above why I do not consider that London Boroughs should be required to carry out their own assessments of overall need. I consider the SHLAA in more detail below but, for the reasons given, I find that it provides a reasonably accurate picture with regard to capacity. It is not easy to see, therefore, where London Boroughs would find additional sources of supply. Capacity could be increased but I have significant concerns regarding whether higher densities can or should always be sought or achieved¹⁹.
35. The PPG advises that the degree of co-operation between boroughs will depend on the extent to which strategic issues have already been addressed in the London Plan²⁰. Further, given that the minimum targets in Table 3.1 are based on the SHLAA's estimate of capacity in each Borough, it is difficult to see how co-operation between them will increase supply. Table 3.19 of the SHLAA compares the capacity within Boroughs to the 2012 DCLG household projections. In all but 9 Boroughs the projections exceed capacity with a total annual shortfall of 10,200. Outer Boroughs could seek help from their neighbours beyond the GLA boundaries but the FALP is not predicated on such an approach.

¹⁹ Higher than the densities set out in the Sustainable Density Quality (SRQ) Density Matrix (London Plan Table 3.2, unchanged by the FALP)

²⁰ Reference ID: 9-007-20140306

Conclusions

55. I am satisfied that the Mayor's population and household projections, SHMA and SHLAA are based on good evidence and robust methodology. The household projections and the SHMA point to the urgent need to address the requirement for new housing in London. The GLA is exploring ways to address the need and through the FALP seeking to provide a solution. In addition to the measures described above the Mayor is seeking to reduce the number of vacant homes and encouraging alternative sources of supply such as self build and the private rented sector which can deliver houses faster than traditional build for sale schemes. This is to be supported as is the focus on regeneration and meeting London's needs through the development of brownfield land. However, the strategy has significant and potentially serious implications for delivery and for existing communities which will have to face the consequences of intensifying development in the existing built up area.
56. The targets set in Table 3.1 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. Nor do I consider that the Mayor can rely on paragraph 47 of the NPPF or the duty to co-operate to make London Boroughs provide more. It is not enough to grant planning permissions, homes have to be built and the target rate of 42,000 dpa is significantly higher than has been achieved since 2004 and the boom years before the recession.
57. 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 (**IRC3**). 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 the GLA's boundaries in discussions regarding the evolution of our capital city.

²⁷ Including significant changes to Policy 7.15 relating to managing the impact of noise, which subject to the Mayor's proposed changes, I support.

²⁸ FA/EX/08; Deputy Mayor's Opening Address

58. Non adoption of the FALP would result in the retention of the existing housing targets in the London Plan (32,210 dpa³⁹) which are woefully short of what is needed. Despite my reservations, therefore, I consider that, subject to a commitment to an immediate review, the FALP should be adopted as not to do so would perpetuate the existing under delivery by not requiring Boroughs to increase supply.

Issue 4 – Whether the FALP's strategies and policies enable London Boroughs to meet the need for employment in Greater London.

59. The FALP does not set a target for employment but predicts that the number of jobs could increase from 4.9m in 2011 to 5.8m in 2036⁴⁰. Community groups question the assumptions made in arriving at this figure and the reliance on a survey carried out in 2009 (a more recent study relating to offices was published in 2014). The Mayor acknowledges that predicting levels of employment is not easy but, based on historical trend data, is confident that the projected level of growth over the plan period is as accurate as it can be. With regard to the 2014 office study, uncertainties over forecasts for office floor space and density assumptions led the GLA to conclude that it was safer to rely on the long term trends. I have neither heard nor seen anything to lead me to doubt the Mayor's assertion that past historical projections have performed reasonably well. Further, The City of London and industry representatives support the FALP projection.
60. Historic data also captures the interconnections between the different sectors of London's complex economy. I have seen no evidence to show that the FALP ignores small businesses or the contribution they make. I heard complaints that small businesses are being squeezed out but the London Plan encourages and supports diversity, small businesses and local economies and the provision of suitable work spaces in terms of type, size and cost. Representatives argue that the Mayor does not have an understanding of micro economies and the benefits arising from small businesses being located close together. However, I have seen nothing to suggest that the projections are not based on data relating to the whole economy. Further, the FALP is a strategic plan. The NPPF requires local planning authorities, in preparing local plans, to demonstrate an understanding of the needs of businesses in their area and I see nothing in the FALP to prevent them from doing this.
61. Policy 4.4, which seeks to ensure the provision of a sufficient stock of land and premises is not proposed to be changed but a change to paragraph 4.23 would allow the release of surplus industrial land. This accords with national policy⁴¹ and the need for housing is such that it would be wrong to prevent the re use of industrial land which has no reasonable prospect of being used for employment.
62. In response to the loss of small scale offices to higher value residential and the recommendations of the London Office Review Panel, Policy 4.3 is proposed to be altered to enable Boroughs to protect small scale offices within the Central Activities Zone (CAZ). The policy would also require residential development in the CAZ to compensate for the loss of offices by contributing

³⁹ Table 3.1: 2011 London Plan

⁴⁰ Paragraph 1.24

⁴¹ NPPF, paragraph 22

to the provision of new offices nearby. Boroughs would only be able to do so through their local plans and where supported by local and strategic demand assessments.

63. The change is resisted and it is argued that, amongst other things, it could require the conversion of a single office to one flat to compensate by providing an office elsewhere in the CAZ. This is likely to prove difficult, if not impossible, for the owners with a single property or building. However, research commissioned by the City of London indicates that a pool of smaller, not highly specified and lower cost offices is vital to its economy. Without protection this important resource could be lost and I consider the changes to Policy 4.3 to be justified.

Conclusions

64. Subject to the changes proposed by the Mayor, I conclude that the FALP's strategies and policies will enable London Boroughs to meet the need for employment in Greater London.