

Planning Policy Consultation Team
Department for Communities and Local Government

Sent by email to planningpolicyconsultation@communities.gsi.gov.uk

27 April 2017

Dear Planning Policy Consultation Team

Response to Housing White Paper - Tackling London, East and South East housing delivery barriers

Following a meeting with Housing Minister Gavin Barwell on 19 January, we jointly wrote at his request on 31 January with further specific proposals for consideration in the Housing White Paper to help unlock housing delivery in London, the East and South East of England. A particular shared concern is how to accelerate and unlock housing development on the large and growing number of unimplemented housing permissions across our areas. Our subsequent letter¹ included more information/data on the scale of unimplemented permissions and key policy proposals for the White Paper on speeding up delivery of housing and associated infrastructure and utilities.

We welcome the acknowledgement in the White Paper of the complex range of issues constraining delivery of the large number of unimplemented housing permissions (estimated at 510,000+ across London, East and South East). In particular the three areas below are fundamental to sustainable increases in housing supply:

- Industry delivery – speed, capacity and approach: We are pleased to see recognition of the problem of unimplemented planning permissions and build out times. We welcome proposals for some modest tools to help councils tackle slow delivery via development schedules/review mechanisms, and increasing construction skills.
- Affordable housing: We welcome several actions to support building affordable homes to rent and buy, especially recognition of the need for more rented homes, for which few issues around absorption rates would apply.
- Infrastructure: We welcome recognition of the importance of infrastructure in unlocking housing growth, including utilities, and some funding opportunities.

Whilst welcome, these measures alone will not give councils the means to ensure the step change in housing delivery that we all wish to see. We would like to continue our discussions with Government about what further actions and tools are needed to help drive the step change in housing delivery that our communities need. Please note this joint letter is in addition to any individual White Paper responses made by our organisations.

¹ https://www.london.gov.uk/sites/default/files/unlocking_unimplemented_housing_capacity_-_2nd_joint_letter_to_secretary_of_state.pdf

We agree with the Housing Minister's view that there is no 'silver bullet' to solve the housing crisis and it will require developers, councils/planning authorities, housing associations, land agents, and utilities/infrastructure providers to co-operate and deliver the homes we all need. We recently discussed the White Paper at a cross-party meeting of representatives from all tiers of authorities across London, the East and South East of England. We agreed that although the White Paper helps address some aspects of our concerns, further action is still needed to deliver the White Paper's aims of increasing housing supply – especially if the new 'delivery duty' on councils is to be introduced. The Minister has also been clear that delivery of local plans is a priority, so transition and implications for plan making are also important.

Our specific suggestions to develop White Paper proposals in a way that will deliver more homes more quickly are set out below. We would be pleased to discuss these further with Ministers or colleagues:

i) Transition:

- Government should closely involve councils across London, the South East and East of England, and the Mayor of London, in shaping the detail of how White Paper proposals are to be implemented. Whilst we welcome the White Paper's aim to speed up delivery, the Government needs to ensure proposed changes do not have the unintended consequence of hindering current progress in delivery of homes or local plans. For example, proposals to standardise calculation of housing need must not impact on plans close to completion; and clarification is needed on how the new proposed 'statement of common ground' on growth between councils will differ from current Duty to Co-operate good practice principles.
- The proposed 20% increase in planning fees is welcome, but this is needed to help fund existing planning services - in particular the implementation phase, including discharge of conditions etc. - and is unlikely to provide the capacity that councils need to take on new duties such as delivery tests or provide faster planning services that developers want. Councils should instead be free to set appropriate fees reflecting local circumstances. Whilst we agree that local taxpayers should pay something towards councils' place-making work, developers making large profits should pay fully for their application costs.

ii) Housing delivery test:

- For councils to be able to meet the proposed new 'housing delivery test', they would need further powers significantly beyond those outlined in the White Paper to incentivise building once permission is granted, or else the test will fail to deliver. We strongly support steps to clarify and define real 'commencement' of development to avoid token starts, and then powers for councils to incentivise/require development to take place after a specified period. If councils are not offered such greater powers, then Government should shift the emphasis of the new delivery test to permissions *granted* rather than *completions*, as councils have more control over permissions
- We would also welcome steps to accurately assess the scale of unimplemented permissions and ask for feedback on the data we provided to the Housing Minister in our letter of 31 January and follow up data emailed to officers.

iii) **Affordable housing and housing construction:**

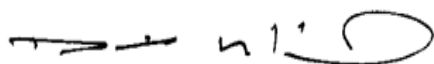
- Further action is needed to free-up finances to build affordable homes at scale, for example through relaxing Housing Revenue Account borrowing, the investment of Right to Buy receipts and progressing housing deals as proposed in the White Paper.
- We support much greater use of precision-manufactured homes as they can help speed-up delivery of market and affordable homes and improve quality of construction. In order to increase the scale of this, further public support, particularly to manage fluctuating demand, may be necessary.

iv) **Infrastructure:**

- We welcome acknowledgement of infrastructure needed to unlock homes, but the scale of challenge of improving and maintaining infrastructure requires more funding opportunities than are currently on offer. These could include, for example, powers/freedoms for local areas including greater local retention of business rates and stamp duty, and the ability to capture land value uplift after granting permission.
- A more joined-up approach from Government would help deliver more homes eg. making it easier to gain commitment on funding infrastructure for growth from different Government departments/other infrastructure providers.
- A strategic approach is needed from the construction industry/utilities and regulators to allow for timely – and where appropriate upfront – funding and delivery of large scale infrastructure, ensuring it unlocks and does not hinder development delivery.

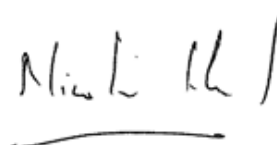
We would be very happy to discuss any of these proposals to help drive forward our collective aim of improving delivery of homes.

Yours sincerely



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Chairman of the East of England Infrastructure & Growth Group
and Leader of Essex County Council



Cllr Nicolas Heslop

Chairman of South East England Councils
and Leader of Tonbridge & Malling
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Jules Pipe

Deputy Mayor for Planning, Regeneration & Skills, Greater London Authority



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London Councils Portfolio Holder for City Development and Leader of London Borough of Barking & Dagenham

Greater London Authority the Mayor of London provides citywide leadership and creates policies to improve London for all.

London Councils represents London's 32 borough councils and the City of London.

South East England Councils (SEEC) is a cross-party partnership representing county, unitary and district councils in Buckinghamshire, Oxfordshire, Berkshire, Hampshire, Surrey, East & West Sussex and Kent.

The East of England LGA is a membership organisation of the district and county councils in Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk and the unitary councils of Bedford, Central Bedfordshire, Luton, Peterborough, Southend-on-Sea and Thurrock.