

**SOUTH EAST ENGLAND COUNCILS  
ALL-MEMBER MEETING**



Date: 27 January 2017

Subject: **SEEC response to DCLG's Housing White Paper and barriers to delivery**

Report of: Nick Woolfenden, SEEC Head of Policy Co-ordination

**Recommendations:**

Members are asked to:

- i) Discuss key issues to inform SEEC's response to the Government's forthcoming Housing White Paper.
- ii) Consider feedback from recent meeting with Housing Minister Gavin Barwell.
- iii) Take opportunities to share SEEC's new report on overcoming housing delivery barriers with MPs, Ministers and other decision makers.

**1. Tackling South East housing and infrastructure delivery barriers**

1.1 Housing delivery remains a major challenge in the South East. Despite the apparent success of achieving the largest growth in homes nationally, SEEC leaders are concerned that their commitment to local growth plans is not matched by delivery on the ground.

1.2 Today's SEEC data dashboard shows the South East has further increased its national housebuilding lead – reaching 34,900 homes in 2015-16, some 4,500 more than London. However, key concerns remain the growing number of unimplemented planning permissions not being taken forward by the construction industry - estimated at 66,750-152,000 homes in the South East – and challenges in delivering associated infrastructure and affordable housing.

1.3 Following this SEEC all-member meeting there is a joint SEEC-LGA housing workshop, with 90 senior councillors and officers attending. This event will share good practice on funding and delivery of homes and infrastructure, as well as round tables for discussion on priorities.

**2. Member discussion on key principles for SEEC's input to Government consultation**

2.1 The Government is shortly expected to publish its housing White Paper. SEEC has already taken opportunities to influence its development with its housing barriers report and letter on funding to Gavin Barwell (see below and agenda item 4). In preparation for responding to the formal white paper consultation member views are invited on how to further develop SEEC's key headline points and any additional issues to be covered:

**Headline 1: Improved infrastructure is needed to support new homes** (more detail in agenda item 4):

- a) **Create one or more South East infrastructure funds**, funded by a proportion of total South East business rate income before tariffs and top-ups are applied.
- b) **Review proposed changes to New Homes Bonus**, and keep funding at 2019-20 levels to maintain incentives for councils and ensure there is income to support the infrastructure/services needed for new homes.
- c) **Allocate first-time stamp duty on new South East homes for infrastructure investment**, allowing councils to receive stamp duty the first time a property is sold.
- d) **Give councils greater accountability over local income streams**, including local flexibility to set council tax levels, business rate multipliers, S106 and CIL contributions.
- e) **Give councils greater confidence to borrow for infrastructure investment**. The funding proposals above would give councils more certainty over future revenue and allow greater confidence on long term borrowing for infrastructure.

**Headline 2: Tackling unimplemented permissions and housing delivery barriers:**

- f) **Provide discretionary local powers to tackle slow delivery of approved housing plans and permissions**, allowing councils local freedom if they wish to charge penalties/fees/Council Tax on unnecessarily delayed building of permissions. Councils should also have discretion to reduce the length of time a planning permission is valid.

- g) **Ensure SME builders have greater access to finance**, which could contribute to improving competition in the building industry and increasing build-out rates. EG pre-sales guarantees for smaller builders.
- h) **Give certainty to all involved in development by committing nationally to a stable and simple locally-led planning system**, including tools to ensure timely development, for example allowing planning conditions that set delivery targets.
- i) **Help boost the supply of much-needed skills in the construction industry by increasing the responsiveness of the skills system**. This could include more input from councils and other partners to better target funding to the training needed, and support for vocational training/career paths.
- j) **Sustain capacity in councils to deliver effective planning services, and stop the public purse subsidising developers**. Allowing councils to locally set fair levels of planning application fees to recover full costs would help achieve this.

### **Headline 3: Delivering more affordable homes**

- k) **Allow councils more funding flexibilities to build affordable social housing directly eg. freeing-up finance through the Housing Revenue Account**. This would allow councils to build affordable homes at scale and ensure there is a locally-appropriate mix of affordable homes to buy and rent.
- l) **Allow councils to determine, working with developers, adequate contributions (such as S106 and CIL) towards affordable homes from all forms of developments including starter homes and small sites**. Councils should have flexibility to set locally-appropriate contribution rates and have the ability to pool more than five contributions to fund bigger supporting infrastructure projects.

2.2 Member input and views on any additional key points to build into SEEC's work on housing are welcome.

### **3. Feedback from meeting with Housing Minister Gavin Barwell on 19 January 2017**

3.1 Following a joint [letter](#) with Mayor of London, London Councils and East of England, a small group met Housing Minister Gavin Barwell to discuss tackling housing delivery barriers. SEEC's representatives can provide an update on the meeting and the Minister's request for detail on any proposals for change that have support from all three areas. The Minister also stressed the importance of having an up-to-date local plan in place

3.2 Topics covered in discussion included:

- How to ensure developers build once planning permission is granted. The Minister is keen to see councils taking on greater accountability for delivery. He recognises councils need more powers to get unused planning permissions moving but wants to avoid a situation where introducing penalties for developers prevents new applications coming forward.
- Innovative ways of funding infrastructure and affordable housing, with members asking for greater powers and funding flexibility to help achieve what their local communities need.

### **4. SEEC report on overcoming barriers to delivery of new homes**

4.1 SEEC has this week launched a report '*Unlock the Housing Blockers*' with recommendations to Government on changes that will help unlock delivery of new South East homes and associated infrastructure. The report's seven recommendations include a range of issues identified above, seeking action from Government to support councils' commitment to sustainable growth. SEEC will send the report to Ministers and publicise it to South East partners and stakeholders. Members are encouraged to share the report locally with their MPs and raise key issues with ministers and other decision makers locally.