

# South East First

The Newsletter of South East England Councils

February 2017

## *Excellent turnout to housing and infrastructure workshop*

Around 90 delegates attended a [Building Homes and Funding Associated Infrastructure workshop](#) jointly organised by SEEC and LGA on 27 January. The event provided an opportunity for councillors and officers to hear about innovations in delivering housing and infrastructure, learn from others' experiences and inform future SEEC work on the policy changes needed from Government.

Opening the event, SEEC Chairman, Cllr Nicolas Heslop summarised three key South East challenges:

- The need to increase delivery of affordable and market housing in all tenures
- That councils' local growth plans are not being matched by developers delivering on the ground
- That housing cannot be seen in isolation without considering the infrastructure to support it. Existing funding streams are inadequate to deliver the transport, schools, health, utilities and affordable homes needed to support the South East's economic and housing growth.

Event Facilitator Andrew Coleman from Local Partnerships, said that local government has the ambition to overcome these challenges – many councils are gearing up for housing delivery either directly or in partnership but the right support and tools from Government are needed to scale this up.

Cllr Heslop gave a presentation on SEEC's new report '[Unlock the housing blockers](#)' explaining how its seven recommendations to Government could tackle barriers to housing delivery, help incentivise developers to build and free up more funding to invest in infrastructure.

Delegates also heard from a number of speakers including LGA President, Lord Kerslake. Councillors and officers from across the South East and beyond presented good practice case studies on funding infrastructure and delivering housing growth through locally-led partnership solutions.

A full report of the event including links to all presentations is available [here](#).

## *Invest in the South East to deliver housing and economic growth*

SEEC's [submission](#) to the National Infrastructure Assessment call for evidence argues for more national investment in the South East, more powers to invest in local infrastructure and better co-ordination of investment to support the area's growth.

The South East is a key funder of public spending and a global transport gateway for businesses and travellers UK-wide. The joint SEEC /SESL submission argues both these roles are at risk from major infrastructure deficits, which will undermine the South East's ability to facilitate further housing and economic growth.

The submission calls on the National Infrastructure Commission to support a number of critical strategic transport routes in the South East, such as those highlighted in our [Missing Links](#) report, which if delivered would unlock significant economic and housing potential.

On the issue of funding essential local infrastructure, it argues for councils to access a greater share of locally-generated business rates and stamp duty from first time property sales as well as the freedom to set tax rates locally.

In addition, the submission calls for better co-ordination to ensure infrastructure investment is well aligned with housing and other economic/growth plans. Allowing councils to negotiate high level agreements on the timing of development with utilities, other infrastructure providers and developers would help speed up the delivery of new housing and avoid blocking sites.

## ***Lord Kerslake welcomes 'sea-change in Government'***

**Housing Minister Gavin Barwell is absolutely committed to 'delivering housing of all tenures'** LGA President, Lord Kerslake told delegates at the SEEC – LGA [Building Homes and Funding Associated Infrastructure workshop](#).

Lord Kerslake summed up the current housing situation, saying that underlying housing need is not being satisfied and the challenge in London and the South East is particularly acute. He said the answer is to double the supply of homes on a sustained basis, although the issue is not just about numbers – communities and supporting infrastructure are also important to make great places. He felt that it was 'absolutely right not to separate the issues of housing and infrastructure', which makes the solution more challenging as it straddles a lot of Whitehall departments.

The Peer was critical of the Housing and Planning Act 2016 for 'promoting home ownership at the expense of social rent'. However, he said there had been a sea-change in Government with Housing Minister Gavin Barwell absolutely committed to 'delivering housing of all tenures and having all players on the pitch'.

Lord Kerslake said there was now big a responsibility on local authorities, housing associations and developers to both aim high, and to work collaboratively. He believed many of the conditions to deliver have been put in place and Government will expect councils to secure results. In return he suggested there are still things local authorities should be asking Government for including:

- Flexibility on setting of planning fees to cover costs and provide a better service to developers
- More Government investment in the place-making capacity of local authorities
- Relaxation of the housing borrowing cap and the ability to trade headroom between authorities to allow councils to build more themselves
- Mechanisms for councils to attract up-front infrastructure investment before growth

During the subsequent Q and A session Lord Kerslake also agreed that Right to Buy was seriously undermining councils' ability to provide affordable housing and that the qualifying period should be extended to significantly more than the current 3 years.

## ***London report backs South East strategic infrastructure proposal***

In its new report '[Devolution: a capital idea](#)' the London Finance Commission expresses support for the development of a Wider South East strategic transport and infrastructure funding proposal for submission to Government by the time of the Autumn Budget.

The report recommends that the GLA, councils from across London, the South East and East should work together with Transport for London (TfL) to produce a proposal for key infrastructure requirements for the whole region.

The idea of a joint Budget submission builds on work SEEC has already been doing with the GLA, London Councils and East of England. We have recently agreed to work together to lobby for investment in 13 strategic transport schemes that will release significant economic and housing growth across all our areas and we will now discuss options for a wider joint Budget submission. We still have time to prepare a submission for the Autumn so we will feed it into our regular discussions.

The LFC report also makes recommendations for the devolution of fiscal powers that broadly echo changes SEEC Members would like to see. These include:

- Local control of property taxes including council tax, business rates and stamp duty
- The power to manage the full suite of levies on property development (including S106 and CIL) and permissive powers to develop new mechanisms
- Mechanisms which tax some of the value uplift on new development to help fund infrastructure investment

## ***Wider South East may have half a million unbuilt Homes***

**Following a meeting in January, Wider South East representatives [wrote](#) to Gavin Barwell MP, calling for powers to clear the backlog of unimplemented planning permissions – which may exceed 500,000 according to new projections from the GLA.**

Political leaders from London, the South East and East of England met the Housing Minister on 19 January and were invited to write to him with a couple of worked up proposals that could potentially be included in the then unpublished housing white paper.

The letter explains that existing figures from consultants Glenigan show 218,000 unbuilt homes in the Wider South East, but new projections from the GLA show many planning permissions are excluded from this count. Once outline planning permissions, small sites and other factors are considered, the GLA says there is an underestimate of at least 128% in London – and if the same calculations are used for South East and East, the combined total of unbuilt homes reaches 510,000.

To help local authorities clear this backlog, the letter called for the white paper to explicitly endorse councils' use of review mechanisms under which a Section 106 agreement or conditions would set out an agreed level of progress to be achieved on a particular scheme by a specified period. If development has not commenced by this date then the land owner would have to undertake a further viability assessment or to pay an ascending scale of Council Tax (or equivalent) on the permitted but uncompleted units. In the housing white paper, the Government has committed to examine the options for reforming the system of developer contributions.

The letter also called on Government to encourage utility companies to align their infrastructure investment better with planned housing. Proposals to allow councils to agree building schedules with developers would provide greater confidence to support utility forward planning. It was also proposed that Ministers work with regulators to reinforce the need for timely investment. The white paper includes a commitment to review what more can be done to ensure that utilities' planning and delivery keeps pace with house building, to monitor performance and if necessary, to consider obligating utility companies to take account of proposed development.

## *News Roundup*

### **New Data Dashboard**

The SEEC Winter 2016-17 [data dashboard summary](#) is available online. The latest update reveals that the South East is now home to 9.1m residents and continues to have the highest net addition of new homes in England at 34,900 in 2015-16 – an increase of 6,400 on the previous year.

### **Housing Minister to meet SEEC Members**

As part of the Government's consultation on the housing white paper '[Fixing our broken housing market](#)' SEEC is working with CLG to host a meeting on 6 March with Housing Minister Gavin Barwell MP to discuss the housing white paper and key opportunities and challenges affecting the South East.

### **SEEC proposals picked up on in Transport Select Committee Inquiry**

A new [Transport Select Committee Inquiry](#) into the Government's draft Airports National Policy Statement has picked up on a number of issues raised in SEEC's [proposal for a Committee Inquiry](#). The Inquiry will consider how well the National Policy Statement (NPS) addresses changes to surface access, takes account of sustainability and environmental considerations and links in with other aspects of the Government's transport strategy. It will also look into the applicability of the NPS to other airport expansion applications in the South East.

### **SEEC in the media**

SEEC's new report '[Unlock the housing blockers](#)' achieved coverage in [LocalGov](#), [the Surveyor](#) and Planning Resource.