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Rt Hon Greg Clark MP
Secretary of State for Communities & Local Government
Department for Communities & Local Government
2 Marsham Street
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Also sent to: gregclarkmp@parliament.uk; Greg.Clark@communities.gsi.gov.uk

13 October 2015

Dear Greg,

We write on behalf of the South East's local authority leaders following the recent legal ruling on applying Section 106 (s106) obligations to small housing sites. Our members feel very strongly that s106 should be a matter for local decision rather than national determination.

We recognise your concerns that the ruling could restrict Government's ability to make policy via written statements and understand that Ministers will want to retain maximum flexibility in how they make policy.

However, we do also want to urge you strongly to accept the principle of need for local discretion on charging s106 contributions to developers who are planning smaller housing developments.

While we understand Government's aim was to encourage smaller developers to build homes, the loss of s106 payments will severely damage our member councils' ability to support affordable housing and wider infrastructure needs. Nationally, losing s106 on smaller sites would reduce affordable housing contributions by some £683m a year – a fifth of the annual total.

This is particularly important in the South East where average house prices are around 11 times average earnings. This – alongside the fact that many South East authorities rely on small windfall sites to help deliver housing needs – means that our member councils regard s106 contributions on smaller sites as vital funding to help meet local needs.

We would therefore welcome your commitment to local decision-making on s106, regardless of site size. This will both recognise the value of local knowledge in determining s106 charges and help avoid a lengthy appeal process that could hinder the development that we are all striving for, rather than advance it.

We look forward to hearing from you on this matter and would be pleased to discuss the issues further with you if that would be helpful.

Yours sincerely,

Cllr Nicolas Heslop
Chairman, South East England Councils
Leader, Tonbridge & Malling Borough Council

Cllr David Burbage MBE
Chairman, South East Strategic Leaders
Leader, Royal Borough of Windsor and Maidenhead

Cllr Roy Perry
Deputy Chairman, South East England Councils
Leader, Hampshire County Council

Cllr Martin Tett
Vice Chairman, South East Strategic Leaders
Leader, Buckinghamshire County Council