



Correspondence address:

South East England Councils
Room 215 County Hall
Penrhyn Road
Kingston
Surrey
KT1 2DN

t: 020 8541 8740

e: nickwoolfenden@secouncils.gov.uk

website: www.secouncils.gov.uk

Baroness Williams of Trafford
Parliamentary Under Secretary of State
Department for Communities and Local Government

Sent by email

17 December 2015

Dear Minister

Thank you for speaking with South East council leaders at SEEC's recent Executive Committee. We welcome your offer to follow up key issues raised by members. Help on the topics highlighted below will allow councils to maximise their contribution to vital economic growth in the South East and overcome some of the barriers to delivering cost effective local services.

Delivering infrastructure to support sustainable growth

Councils would welcome Ministerial support for local proposals to 'front-load' infrastructure delivery ahead of approved new development – for example through new revolving infrastructure funds and/or borrowing against expected income such as New Homes Bonus and CIL. The Leader of Wealden DC felt this was a sensible way forward in his area but he had been discouraged from such an approach due to government concerns about increasing borrowing.

The South East's delivery of the most new homes in England (some 21,900 in 2014-15, 3,600 more than London) means our transport, public services and utilities infrastructure is struggling to keep up with demand. This undermines our potential to contribute fully to the success of UK plc, and creates resistance to new development from communities and businesses concerned about increasing infrastructure deficits.

We seek clarification that government welcomes innovative approaches from councils to help infrastructure delivery, including revolving infrastructure funds. We also call on government to support SEEC's bid for funding for large scale, cross-boundary strategic infrastructure schemes that are beyond the scope of individual council or LEP budgets. Our needs are set out in SEEC's [Mind the Gap](#) report.

Managing development viability effectively

We ask for Ministerial support to tackle concerns that the UK's 'gold plating' of legal requirements (e.g. Natural England/EU Habitats Directive) is unnecessarily increasing financial costs for developers. This, in turn, reduces developers' ability to fund necessary infrastructure, on the grounds of financial 'viability'. Rushmoor BC has raised this with CLG in the past as it affects the Thames Basin Heaths Special Protection Area but received no response (Cllr Roland Dibbs handed you a copy of their earlier letter at our meeting).

We would welcome your commitment to tackle this issue. It is even more pressing now that new starter home requirements will further exacerbate pressure on limited developers' contributions for infrastructure, including affordable housing.

We also ask for your support for the Epsom & Ewell BC councillor's call for increased council options when determining the validity of developers' viability claims. Councils' local

knowledge means they are well placed to know what developer contributions are needed and affordable. Councils should therefore have the option to 'test the market' with alternative developer options to ensure appropriate contributions towards vital infrastructure needs. We also reiterate his concerns that permitted development rights to convert offices to homes must not undermine local areas' economic viability or business needs, and should make a contribution to infrastructure requirements.

Need for affordable homes to buy *and* rent for economic prosperity

South East councils seek Ministers' commitment to a locally-led planning system which allows local decisions on the best mix of affordable homes to rent *and* buy. We appreciate the government is committed to increasing home ownership. However, as councillors from Oxfordshire and Oxford City highlighted, it is also vital to provide affordable homes *to rent* if we are to sustain a flexible work force and grow the South East's economic prosperity.

Housing affordability is a key challenge in the South East. With average house prices around 11 times average earnings, renting a home remains preferable for many. Local councils, working with their communities, businesses and other partners, are best placed to understand the needs of their area. We would welcome your commitment that councils will continue to be allowed to identify the most appropriate mix of affordable housing for their areas' needs. We are also concerned to ensure the impact of increased 'right to buy' and focus on starter homes does not reduce our already limited supply of affordable housing to rent.

Funding effective local services

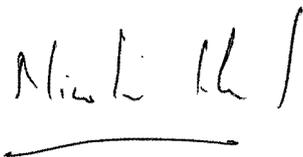
We ask Ministers to allow councils to set planning fees locally. Councils want to deliver effective, efficient planning services to ensure appropriate development progresses swiftly. However in a high-cost area such as the South East, councils struggle to fund planning services through the nationally-set fees regime.

As raised by the Leader of Hart DC, the current fee regime means that developers' application costs are subsidised by public funds. We would welcome government action to allow councils to locally set planning fees to cover the reasonable cost of processing applications. This will help councils deliver the best possible service to help progress the development needs of our areas.

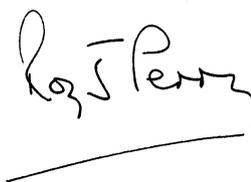
Further to the Leader of Hastings' concerns raised at the meeting, we would also welcome your clarification that the government will ensure criteria for forced sale of public land/assets do not mean councils have to sell high value assets that generate income to fund services.

We look forward to your reply and would be pleased to discuss any of these issues further with you.

Yours sincerely



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



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