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Rt Hon Sajid Javid MP
Secretary of State
Department for Communities and Local Government
2 Marsham Street
London
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26 September 2016

Dear Secretary of State,

UNLOCKING UNIMPLEMENTED HOUSING CAPACITY IN THE EAST, LONDON AND SOUTH EAST

The Mayor of London and council leaders from across the East, London and South East are committed to supporting sustainable growth, including housing. To do this we are working together to harness our collective strength but also need your help to unlock the hundreds of thousands of planning permissions for new homes granted by our councils, but not yet built. Without action, delays will continue to hinder local and national growth ambitions and stifle the supply of housing – including affordable homes.

Together our 159 councils are home to 24 million people, 43% of England's population. East, London and the South East are central to the nation's success, together delivering over half (51%) of England's economic output - £700bn GVA in 2014. On the surface, together our 3 areas are the most successful for housing growth – providing nearly half (44%) of England's new homes in 2014-15, an increase of 75,500.

But despite this strong track record, there is more to be done to secure sufficient market and - critically - also affordable housing, as well as supporting infrastructure. Our councils are granting more than enough approvals to meet our identified housing needs but completions are failing to keep up. The scale of the growing pipeline of unimplemented homes is stark: GLA figures show London has a pipeline of approvals for over 260,000 homes, whilst there were at least 66,700 unimplemented homes with permission in the South East and 40,300 in East in 2014-15 (LGA study 2015). Whilst local planning authorities grant permissions, they have little control over completions.

Without the means to encourage delivery of permitted housing, our role in driving the UK's success cannot be certain. It is therefore important to find ways to tackle barriers to ensure locally-approved development progresses as swiftly as possible, alongside necessary infrastructure. We are keen to work with you to ensure that the Wider South East (East, London and South East) meets our full economic potential, and would like to meet you to discuss a few key opportunities for collaboration that will unlock growth and meet housing needs:

1. Industry delivery capacity and approach

We work constructively with many developers to successfully secure timely development. However, councils lack the power to incentivise or require action by landowners and companies who are unnecessarily slow to bring approved permissions to market, who land-bank valuable development plots or hold sites for speculative purposes. **We would like to discuss how new local discretionary powers for councils could work with the housing market to encourage quicker building eg. the ability to charge financial fees/penalties on unnecessarily stalled permissions, deliverability and community benefit as material considerations in planning applications, or shorten permission lengths.**

We would also like to discuss how to tackle the lack of sufficient skilled construction industry workers. Alongside action to ensure sufficient well-skilled planners, this would help secure a sustainable workforce not only for our housing, but also employment and infrastructure development needs.

2. Affordable housing

We want to provide for homes to meet identified needs in our areas, but all-too-often we find it hard to secure sufficient new affordable housing. The Mayor of London and some councils beyond London are already working with CLG and the Homes and Communities Agency on new models of delivery including asset-backed companies. **However barriers still exist and we would welcome discussion about the progress that can be made by freeing-up finances to build affordable homes at scale, including through the Housing Revenue Account and other new development models. We also recommend removing the benefit cap on supported housing, as this makes most supported housing unaffordable to councils or Housing Associations.**

Across the Wider South East there is also concern about the unintended consequences of the starter homes policy; in London, East and South East these are sometimes not affordable, do not address some of the most urgent needs and reduce resources for other types of affordable homes and essential infrastructure.

3. Infrastructure

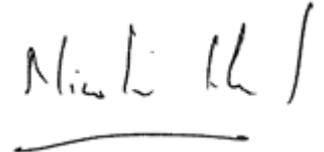
Infrastructure is critical to unlock sites for jobs and housing growth, but existing deficits on infrastructure investment hinder this across the Wider South East – including investment to upgrade road and public transport links as well as the other social infrastructure communities need. **We would welcome discussions on how to help ensure delivery of critical infrastructure and free up the ability of councils and other infrastructure providers to invest. We are interested in funding powers/freedoms for local areas to accelerate and secure investment eg greater retention of business rates – for infrastructure rather than social care needs – alongside greater retention of other property taxes to invest to support economic growth. We would also welcome Government support for cross-boundary strategic schemes that are too big for local funding, but do not yet feature on national priorities.**

We are keen to explore how we can work with Government and the industry to help unlock the hundreds of thousands of permissions for new homes across our areas that are not yet built. We would welcome a meeting with you to discuss how we can take this forward together.

Yours sincerely



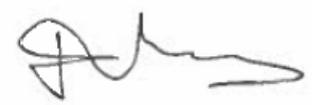
**Cllr Tom FitzPatrick,
Chairman of East of England LGA**



**Cllr Nicolas Heslop,
Chairman of South East England Councils**



**Cllr Claire Kober,
Chair of London Councils**



**James Murray, Deputy Mayor of London for
Housing and Residential Development**



**Jules Pipe
Deputy Mayor of London for Planning,
Regeneration and Skills**

CC: Rt Hon Chris Grayling MP, Secretary of State, DfT, Rt Hon Greg Clark MP, Secretary of State, DBEIS and Gavin Barwell MP, Minister of State for Housing and Planning, DCLG

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) represents 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.