

Rt Hon Robert Jenrick MP
Secretary of State
Department for Housing, Communities
and Local Government
2 Marsham Street
London
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Councillor Leo Pollak
Cabinet Member for Social Regeneration, Great Estates and
New Council Homes

Councillor Johnson Situ
Cabinet Member for Growth, Development and Planning

18 September 2019

Dear Secretary of State

Thank you for the opportunity to demonstrate how we are leading the way on providing affordable housing for our residents in Southwark. How we are building for residents on all incomes, and how despite Government policies which are making it harder to build, we are delivering one of the most ambitious home building schemes anywhere in the country.

As you will be aware Southwark has the second highest homebuilding target in London, despite having no vacant sites in a relatively small area (9th smallest borough in London). You will also be aware that Southwark has consistently approved a high number of dwellings, approving 41,350 dwellings in the last fifteen financial years and delivering over 22,500 new dwellings. This is contributing significantly to the much needed housing stock in Southwark and across London. This is a record that we are proud of.

The Council is absolutely committed to responding to the housing crisis and doing our part to fix our broken housing economy. This is why we are using every tool available to increase the supply of all kinds of homes and to continue revitalising neighbourhoods and deliver the homes, jobs and public spaces that the borough needs. We have set out our actions that are leading the way to deliver our target of 2,736 new homes a year including through our programme to build 11,000 council homes, setting challenging targets for developers and leading on digital planning to encourage access to and understanding of the impacts of development and providing homes that are of exceptional quality.

As you will see, we are confident that we are playing our part, but for the progress that we all want and need to see, the Government must do more than it is doing. That is why, as well as reporting to you what we are doing – we are also asking you what else you can do to meet this challenge.

We call on the government to:

1. Allocate significant new grant monies to the housing budget nationally, with greater emphasis towards funding for house-building rather than mortgage support. Linking social rent grant linked to build costs (where it currently pays for less than a third of construction costs), and housing investment recorded in HM Treasury accounts as an infrastructure item;
2. Right to buy is contributing the loss of affordable housing and it is no longer working in a way that it was intended. Local authorities to keep all Right to Buy receipts to use to provide replacement housing, and combine with grant and other funding sources. The Government should also allow where necessary councils the flexibility to suspend Right to Buy as a policy for local authority housing;
3. Create specific funds for local authority affordable and social house building supported by skills funding as by the Mayor of London;
4. Councils should be allowed to provide new homes without restrictions from Government through the Housing Revenue Account, borrowing against assets as well as rents;
5. Recognise that the current approach to viability is not working as a test for the delivery of the range of homes required, is not fairly balanced to meet public provision, and supporting for the use of public viability benchmarking tools;
6. Consider how land value capture can fund affordable homes, including reforming the Land Compensation Code to ensure affordable land can be secured for affordable housing;
7. Reverse the permitted development rights freedoms which currently allow new dwellings to be developed without planning permission, bringing such developments into full planning control with associated requirements;
8. Return the provision of public bodies to have first refusal of land being sold by other public bodies at public values;
9. Government should prioritise transport infrastructure investment that supports new housing;
10. Any track record of non-delivery can be considered as a material planning consideration when determining planning applications.

We are happy to report on our progress but are concerned that the Government appears to be criticising councils for a failure of delivery while not recognising their role in the housing

crisis. Southwark is committed to delivering homes, but we will only do this if we can work in partnership with Government. We hope that our report reassures government of the steps we are taking and urge the government likewise to take action to tackle this crisis.

Yesterday Southwark Council's Cabinet adopted our plan to see an increase in the number of genuinely affordable homes built in the borough, today we call on the government to publish their own plans.

Yours sincerely,



Cllr Leo Pollak
Cabinet Member for Social
Regeneration, Great Estates
and New Council Homes



Cllr Johnson Situ
Cabinet Member for Growth,
Development and Planning

cc. Rt Hon Sajid Javid MP, Chancellor of the Exchequer