

From: The Chairman of the South East England Regional Assembly

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Rt Hon Caroline Flint MP
Minister for Housing & Planning
Communities & Local Government
Eland House
Bressenden Place
London
SW1E 5DU

Dear Minister

Impact of the credit crunch on housing delivery in the South East

The current 'credit crunch' is already bringing with it a downturn in South East housing delivery and I need to draw your attention to grave concerns raised by members of the South East England Regional Assembly.

The Assembly and Local Authorities in the South East take housing delivery very seriously and have been working closely with developers and others to ensure that we meet our housing targets set out in the draft South East Plan. However, as local planning authorities, housing completions are out of our control. Although we grant planning permission, we have no ultimate control over whether developers choose to build approved projects – and current indications are that, in many cases, developers are choosing not to build.

In the short term, the credit crunch will impact on our ability to provide affordable housing in the South East but, if it continues, we will be also unlikely to be able to meet our overall housing targets.

This will have a knock-on effect on the amount of grant funding local planning authorities receive (Housing and Planning Delivery Grant) because this is set up to reward local authorities who exceed targets. Many local authorities rely on this income to employ staff to support planning services which are already stretched beyond a reasonable level in many areas. I am sure you will agree that neither the Government nor local authorities can afford any loss or reduction in planning capacity if housing delivery is to remain a top priority.

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We are monitoring this situation closely and continuing to do what we can to support housing delivery through this difficult period. I would be grateful for your urgent attention to this matter and urge you to reconsider the basis on which you award grants to planning authorities. I would be happy to discuss this with you further.

As ever

Keith R Mitchell

Chairman

cc: Paul Bevan, Chief Executive, South East England Regional Assembly
Catriona Riddell, Director of Planning, South East England Regional Assembly