

On behalf of Developers East Sussex, Essex Developers Group and Kent Housing & Developers Group

c/o Locate in Kent  
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International House  
Dover Place  
Ashford  
Kent TN23 1HU

Rt Hon Chris Pincher MP  
Minister of State for Housing  
Department for Levelling Up, Housing & Communities  
2 Marsham Street  
Westminster  
London  
SW1P 4DF

17<sup>th</sup> January, 2022

By email: [PSChristopherPincher@communities.gov.uk](mailto:PSChristopherPincher@communities.gov.uk)

Dear Chris,

We just wanted to thank you for your continued personal support and engagement through the last 12 months which have been a critical time for the industry.

Our regular meetings have been incredibly helpful in raising issues of concern for our members and in offering potential, industry-led solutions. As such, we really appreciate the time you are giving in what we know must be a very full diary.

The wider support and engagement we have enjoyed from your officials at the Department for Levelling Up, Housing & Communities co-ordinated by Jane Owen and from Homes England led by Shona Johnstone has also been exceptional and we are extremely grateful.

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We are in the process of fixing a date with Georgie in your office for our next meeting and just wanted to take this opportunity to highlight a series of shared issues and potential solutions that we feel would be helpful to discuss.

By way of an agenda for when we meet – and reflecting discussions with our members - we would like to touch on the 3 following areas:

### 1. **Market & Policy updates**

**Housing delivery:** Starting on an extremely positive point, we are delighted to highlight the [South East LEP's recent announcement](#) that the delivery target of 100,000 homes by March 2021 agreed by partners in the SELEP Strategic Economic Plan has been exceeded. I am sure you would agree this is a huge achievement for all.

**Market update:** Turning to current conditions, we are feeling the same market strains reported nationally, but the fluctuations of availability are more localised and are causing building delays. For example, one local developer has window frames complete in a development but has been waiting 3 months for glazing. The impact of driver shortages and energy prices is also having a significant effect on cost and availability of materials locally. We will continue to monitor this closely and will update you further when we meet.

**Recent policy announcements:** We welcome the new boost for strategic partnerships with Registered Providers (outside of London) including a number operating in East Sussex, Essex and Kent and are closely aligned with them through our respective county housing groups. As you know, we have also strongly promoted the First Homes programme, but sadly this looks to have been less of an opportunity in our areas, playing better where housing markets are less active and where lower property values make the £250k cap much less of an inhibitor. There was undoubtedly interest - and very constructive discussions with some districts took place – but the scheme just didn't seem to work so well with higher property values. We hope to continue working with officials to help make it work in the SE, particularly to address the first-time buyer and absorption rates as referred to by the earlier Independent Review of Build-Out and more recent policy announcements.

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**Levelling Up:** We were delighted to see the Secretary of State's response to Ben Everitt MP at the recent Housing, Communities and Local Government Committee:

**Ben Everitt MP:** *"Housing is the biggest most expensive, the longest part of the levelling up puzzle. But has to be central to the whole thing".*

**Secretary of State:** *"Totally - yes absolutely spot on!"*

We agree!

We are also seeing positive signs locally that new ways of home-working and living have prompted significant activity in coastal property markets as the attraction of living away from the cities continues. This shift has increased potential viability and brings some of the more challenging coastal areas into play for some of the bigger developers. At the same time however, pressure on the Private Rental Sector is felt with increasing numbers of Airbnbs affecting both property availability for local authorities tackling homelessness and increasing social housing demand. The impact of this change for levelling up cannot be overlooked, recognising the Chief Medical Officer's recent report on health inequalities in coastal communities and the formation of future communities, an issue on which SELEP is working with us directly.

## 2. Overcoming local delivery barriers

**Phosphates & Nitrates (Stodmarsh):** We continue to work closely as developers and local authorities with Natural England and others in trying to resolve the Stodmarsh issue which, in East Kent, is now responsible for the delays to some 30,000-50,000 homes. A joint letter from the Kent & Medway Leaders Group is with the Secretary of State. Without a resolution, individual authorities are understandably brokering individual arrangements with developers, but we believe a spatial solution has to be the answer with funding paid back over time. Our concern is also that costs will all be passed to developers squeezing viability and reducing affordable housing potential through S106. It would be really helpful when we meet to understand how your discussions have progressed with Environment Minister Rebecca Pow and if there is anything more we can do to assist.

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In particular, we have a real wider concern that the significant delays in large areas of Kent with no planning approvals being made for housing or mixed use developments since late 2020 will repeat in many areas of England in time. This should not be for either the public purse or for the developers to fund but solutions are available that will ensure a prompt solution is found to resolve this issue. It is equally important to note the effect on delayed delivery of New Home Bonus, s106 contributions and CIL to local authorities directly affects their ability to fund their own activities.

**SME, Developer Finance:** Prompted directly from discussions at our last meeting, we arranged a scoping workshop with Homes England and SME developers, enabling Homes England to set out the current finance offer and work through 2 or 3 practical examples with developers to identify where the system may be made more accessible. Over 50 SMEs participated. We are now following this up with a more granular meeting of interested developers – effectively a speed-dating approach – to make matches through our developer groups and the IConstruct forum.

**Planning and Build-out:** With the Planning Bill expected shortly, while we welcome many aspects, we continue to raise our concern that increased pressure on planning approvals may favour larger schemes to increase planning numbers in preference to smaller SME sites which can deliver much sooner. We continue to champion our planning protocol approach and believe a better balance between large and small sites has to be struck to support all areas of the development process, including the need to address absorption rates to accelerate housing delivery.

**Grants on S106:** We are really grateful for your interest in this suggestion, which we feel continues to warrant attention as highlighted in cases of sites with 100% affordable homes in East Sussex an issue that we are aware has been raised with you directly by Sally-Ann Hart MP. Without additional flexibility for Registered Providers in the S106 process (which is not possible on such sites) the provision of supporting infrastructure and balanced communities remains extremely challenging.

### 3. Skills and employment

**Charter Mark:** With continuing labour shortages and pressure, we are developing a Charter Mark approach for major schemes to ensure local employment and apprenticeships are championed. We are looking to extend this charter towards developers and Registered Providers and other related industries and bodies to ensure that as a group we start to address this shortage and encourage youngsters into the industry, together with the development of flexible apprenticeships within the sector and will update you on this further when we meet.

**Net Zero:** Linked to this, the major shift to zero carbon that is required in both build and retrofitting offers an exciting opportunity for the industry to train for those skills and professions. Through the emerging LSIPs, we are developing a new approach which addresses employer needs much more directly and it would be great to talk through further action that we can encourage and take now to ensure we can support and accelerate development of skills for the future. More locally in Essex, we have responded to one of the recommendations in the Essex Climate Action Commission report to draft and agree a Developers Climate Action [Charter](#). We are pleased to say EDG partners have now signed up to the Charter with a commitment to being carbon neutral in respect of building by 2030.

**Planning and Build-out:** More immediately, there remains a significant shortage of planners within local authorities which is an increasing barrier to the provision of approvals in a timely manner. This needs addressing as is significantly affecting housing delivery in a time of continued demand. Specific factors exacerbating the problem include:

- **Graduate recruitment:** Graduates are not coming into local authority roles, with around 90% of planning graduates now going directly into the private sector. Previously this was 30%. We are addressing this to some extent with the development of a bespoke planning course at the University of Kent, but more still needs to be done.
- **Remote working:** There is a real reluctance in many local authorities to return to the office - from private sector feedback we know is a specific issue for recruiting young people.

- **Pay and conditions;** We recognise the pressures on departments, but we know of incidences where returners would get barely more than minimum wage meaning it simply not worth switching back to public sector.
- **Planning:** We support strong democratic leadership – and we benefit from this across East Sussex, Essex and Kent - but we do know of examples where non-planning policy based objections within the process can lead to unreasonable requirements on hard pressed planning teams furthering problems of recruitment and retention of officers at all levels.

Finally, you very kindly agreed to add us to the departmental mailing list for Tier 1 developer mailings/updates and it would be helpful if as Developer Groups we could now be included.

We hope this short note is a helpful update in advance our next discussion and look forward to agreeing a date very soon.

With best wishes to you and all your team for the New Year.

Yours sincerely,



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Kent Developers Group



**Jonathan Buckwell**  
Developers East Sussex



**Mark Curle**  
Essex Developers Group

CC

Christian Brodie, Chairman, South East LEP  
Kent & Medway Leaders & Chief Executives  
East Sussex Leaders and Chief Executives  
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