

BRIEFING



Get Britain Building Scheme

5 December 2011

The Government announced its £400m Get Britain Building scheme in the Housing Strategy (21st November). Details are still very sketchy, but we can provide some early information.

Modelled on the successful Kickstart scheme introduced by the previous Government, the objective is to get stalled sites with implementable planning permissions going again. However there will be significant differences from Kickstart. The focus will be on providing development finance, either loans or equity stakes, with little if any grants or gap funding. The government will want to get a reasonable return on its money, which would seem to suggest that any loans will be at fairly commercial rates – though as yet we have no idea what rates might be charged. The objective is to get building activity under way as soon as possible so that completions and jobs are created over the next two years – thus the stipulation that sites will have to have planning permission.

While larger companies will not be excluded from bidding, it is anticipated that most demand will be from smaller and medium-sized firms. We suspect the scheme will be more suitable for medium and smaller sites, rather than large strategic or regeneration sites. However at this stage nothing is ruled out completely. There is no doubt a range of reasons why sites are mothballed. However the nature of this scheme suggests the Government will be focusing on sites which are not going ahead largely because the developer cannot obtain affordable development finance – rather than, for example, sites which have major viability problems or multiple, complex problems.

The Homes and Communities Agency (HCA), which will run the scheme for DCLG, hopes to get a Prospectus out before Christmas or very early in the New Year. The Prospectus will seek expressions of interest, asking for key details of potential sites. The HCA will draw up a shortlist and then move to the second stage when formal bids will be invited.

Because the Government expects the scheme to be particularly attractive to smaller and medium-sized home builders, every effort will be made to simplify the process and documentation compared with Kickstart.

It will be a two year scheme. The HCA and DCLG are expected to require work to start on sites in 2012-13, with legal completions in 2012-13 and 2013-14.

Unlike Kickstart, there will not be a long list of additional requirements (Code for Sustainable Homes, Building for Life scores, apprentices, etc.).

When the Prospectus is published, HBF will notify all house builder members. However in the meantime we will compile a list of HBF member companies that are, in principle, interested in the scheme. The HCA will be seeking HBF's views on issues such as the scheme documentation, so we will probably seek advice from companies on this list.

If you would like to be added to the HBF list of companies that are, in principle, interested in the scheme, please contact rosie.hinchliffe@hbf.co.uk.

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