

BRIEFING



HOUSING AND GROWTH: GOVERNMENT HOUSING ANNOUNCEMENT

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We are still waiting for clarification of some aspects of yesterday's Written Ministerial Statement (WMS) (<http://www.communities.gov.uk/statements/newsroom/2211838>).

However the following is a brief summary of the new measures as understood so far.

The Coalition Government's "number one priority is to get the economy growing". House building is clearly seen as having a major role.

Private Rented Sector (PRS)

Government will invest £200m in housing sites for institutional investors in the PRS – awaiting further details.

A Taskforce of developers, management bodies and institutional investors is to be set up - the involvement of developers is most welcome.

To reduce borrowing costs for long-term institutional investors in the PRS, Treasury is providing a debt guarantee for up to £10bn (this money will cover both the PRS scheme and Affordable Housing scheme noted below). The Government has today published legislation to help accelerate major infrastructure investment and house building -

http://www.hm-treasury.gov.uk/press_77_12.htm and
<http://www.communities.gov.uk/housing/about/housingandgrowth/>

Affordable Housing (AH) Guarantee

Government will invite bids through use of the loan guarantee scheme for up to an additional 15,000 additional affordable homes (an investment of £300m when combined with funding for 5,000 refurbished empty homes) –

<http://www.communities.gov.uk/housing/about/housingandgrowth/>

First-time Buyers (FirstBuy)

An additional £280m for 16,500 homes under FirstBuy taking the scheme up to March 2014 vs the current scheme's funding deadline of March 2013 – we expect details will be published next week.

Large-scale Schemes

The Government will work in partnership with local authorities, scheme promoters and communities to accelerate delivery of “locally-supported, major housing sites”.

Off-site Construction

An industry-led advisory group is to be set up by DCLG and BIS to look at barriers and incentivisation - to report in time for Budget 2013 – the objective being “improving the efficiency of housing supply”.

Surplus Public Sector Land

To accelerate the programme the role of the HCA will be strengthened - the WMS talks about “transfers from other Government Departments and agencies” and “a single ‘shop window’”

Planning

Legislation will be introduced to allow applications to be decided by the Planning Inspectorate if the LA “has a track record of consistently poor performance in the speed and quality of its decisions”.

Other measures include: more transparent reporting of council planning performance; increased use of Planning Performance Agreements for major schemes; greater Planning Inspector powers to award costs for applications not handled properly; allowing developers to make an application to extend the life of their permission before it expires; carefully considering the use of call-in for major new settlements with ‘larger than local’ impacts.

There is no change to Green Belt protection, contrary to press speculation, but where LPAs do consider a Green Belt review in their Local Plan the Government “will support councils to move quickly through the process by prioritising their Local Plan

examinations”. LPAs should also consider making best use of previously developed land in green belt areas in order to bring it back into productive use.

There will be legislation so that from early 2013 developers can appeal sites which are unviable because of S106 Affordable Housing demands. The Planning Inspectorate would decide on the appropriate number of AHs and, where necessary, set aside the existing S106 agreement in favour fewer AHs.

Red Tape Burden

There is to be an urgent review of local and national standards, led by Government, to rationalise standards - this follows up on initial work by the Harman Review.

Empty Offices into Residential

Introduce permitted development rights to enable change of use from commercial to residential, but allowing LAs to seek a local exemption where there is an adverse economic impact – this is curious because the Government ruled out allowing permitted development rights for commercial-residential conversions in July following a previous consultation on the proposal.

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