

KENT HOUSING GROUP

HOMES ENGLAND UPDATE
5TH FEBRUARY 2018

CAROL CAIRNS
HEAD OF HOME OWNERSHIP AND
SUPPLY, SOUTH EAST

WE ARE HOMES ENGLAND

- First referenced in Government's Housing White Paper in February 2017
- Formally announced by Chancellor Phillip Hammond as part of the November 2017 budget
- Launched on 11 January 2018 at Alconbury, Cambridgeshire by Sajid Javid MP, Secretary of State for Housing, Communities and Local Government



Homes
England

OUR LAUNCH



“This government is determined to build the homes our country needs and help more people get on the housing ladder. Homes England will be at the heart of leading this effort.”

Sajid Javid MP
Secretary of State for Housing,
Communities and Local Government

WHAT'S DIFFERENT?

The new, expanded organisation will play a far bigger role in investing in supply and intervening in the market to help deliver 300,000 homes a year by the middle of the next decade.

- We will act differently from our predecessor to accelerate the supply of new homes and address affordability issues
- We will use our land, finance, expertise and powers to expand the delivery of affordable new homes and connect ambitious partners to remove barriers to house building
- We will take the lead in delivering better quality homes and great places that set the bar high for others

WHAT'S DIFFERENT?

We will adopt a more commercial approach to meet the necessary scale and pace required.

- We will offer a bespoke mix of direct capital grant and financial transactions to move supply
- We will develop a new commercial approach to acquiring and developing land in areas of high demand
- We will explore opportunities to form lending alliances to leverage more commercial finance into housing
- If needed, we can also use our planning and compulsory purchase powers to help willing partners build more homes more quickly

DISRUPTING THE MARKET

To meet our 300,000 homes per year goal, we need to increase the number of people building homes, particularly SMEs and companies using Modern Methods of Construction.

- We're really positive about MMC and will use our land and finance to help scale it up
- We will support a spectrum of MMC technologies through our activities to grow confidence in the sector
- We will increase flexibility on construction routes to achieve additional supply

OUR RESOURCES

We have a unique set of tools and resources to achieve our vision of creating a better housing market that can deliver 300,000 quality homes and better places



Land

8,000 ha+ portfolio

Rapidly releasing HCA sites and other public land to the market



Funding

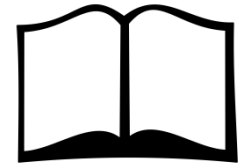
Over £20bn to 2021

To increase and accelerate housebuilding



Expertise

Skills that span every part of the housing industry including surveying, planning, real estate, finance expertise, project and programme management



Powers

Unique set of powers to compulsory purchase land and full planning powers to drive strategic housing development

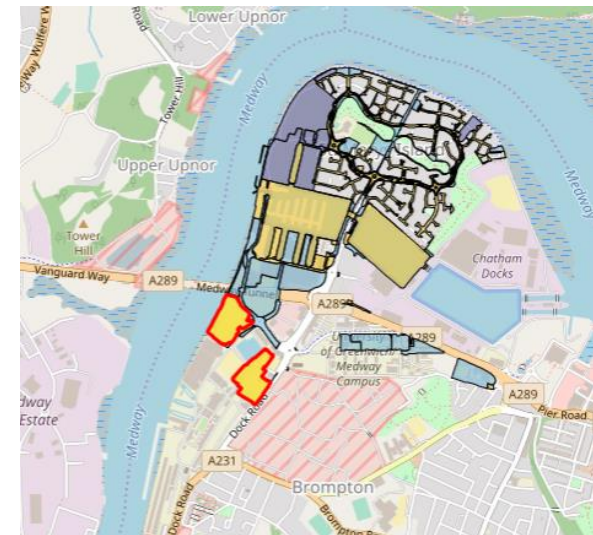
OUR INITIAL PRIORITIES

- Continue delivery of our existing programmes
- Accelerate housing delivery over the next few years
- Build a new organisation capable of responding to the long-term housing challenges facing this country



Chatham Maritime Interface Land

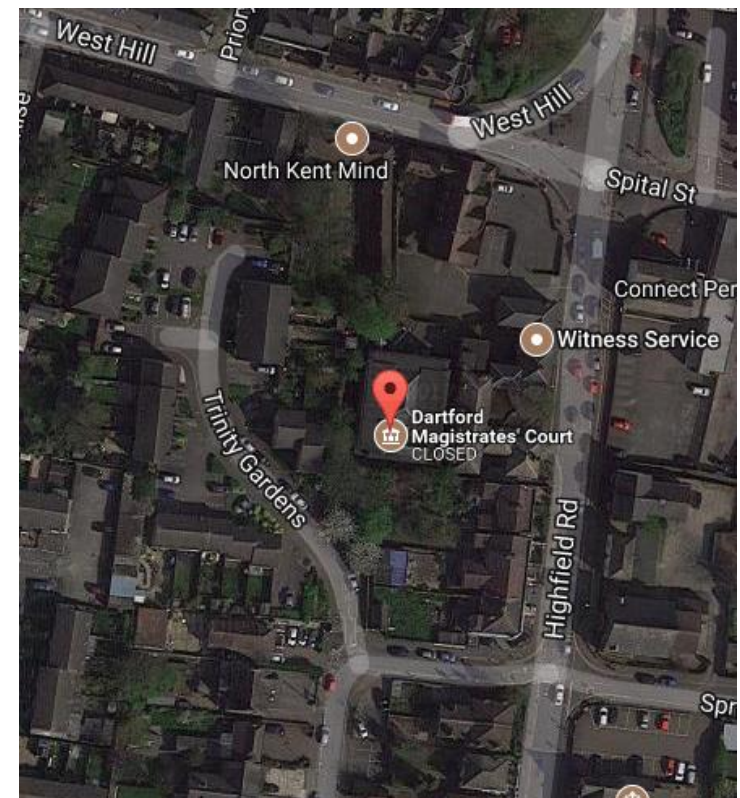
- c.5.5ha brownfield site
- Allocated in Local Plan
- Mixed-Use scheme with c.495 new homes
- Due to go to market in early 2018



Postcode: **ME4 3ER**

Dartford Magistrates' Court, Kent

- c.0.22ha brownfield site (existing building transferred from MoJ)
- No planning status for housing
- Suitable for 15 new homes
- Due to go to market in early 2018



Postcode: **DA1 2JH**

Housing Infrastructure Fund

- Initial Government capital grant programme of up to £2.3bn to help deliver up to 100,000 new homes. The Autumn 2017 budget more than doubled the HIF, dedicating an additional £2.7bn bringing total to £5bn
- Funding will be awarded to LA's on a highly competitive basis for new infrastructure that will unlock new homes
- Funding available from 2017/18 to 2020/21
- Bids/EoI deadline was September 2017. Eligible bids are being assessed on their strategic approach, value for money and deliverability
- Marginal Viability Funding announced 1 Feb 2018. £866m allocated across 133 projects to unlock delivery of up to 200,000 homes
- EoI for Forward Funding will be shortlisted to go through to co-development, assessment is still ongoing.



Home Building Fund

- £3billion available for Development Finance, Infrastructure Finance and Supporting Innovation
- Available to Private Sector businesses that build new homes or prepare sites for housing

Affordable Housing Programmes

- Central team based in 2MS (London)
- Deliver Government policy objectives on Affordable Housing and Home Ownership through programmes of grant funding
- Work nationally, with and through dedicated local area teams
- Partners access systems securely



SOAHP 16-21: Grant Funding

Focus on homeownership & affordable housing supply:

- Shared ownership
- Rent to buy
- Affordable & now Social rent
- Specialist housing
 - also run bespoke programmes, e.g. Care and Support Specialised Housing Fund (CASSH) on behalf of Department of Health



Affordable Housing Programme – 2016-21

- Strong partnerships in place with Housing Association Providers and Local Authorities working to deliver affordable housing in context of local needs and markets
- Tried and tested large scale grant funded programme – attracting new entrants
- Flexibility to delivery a range of affordable housing products
- With recent announcement £2bn total of over £9bn grant funding available
- Recent Announcements – certainty on rents post 2020 / LHA caps / Supported Housing



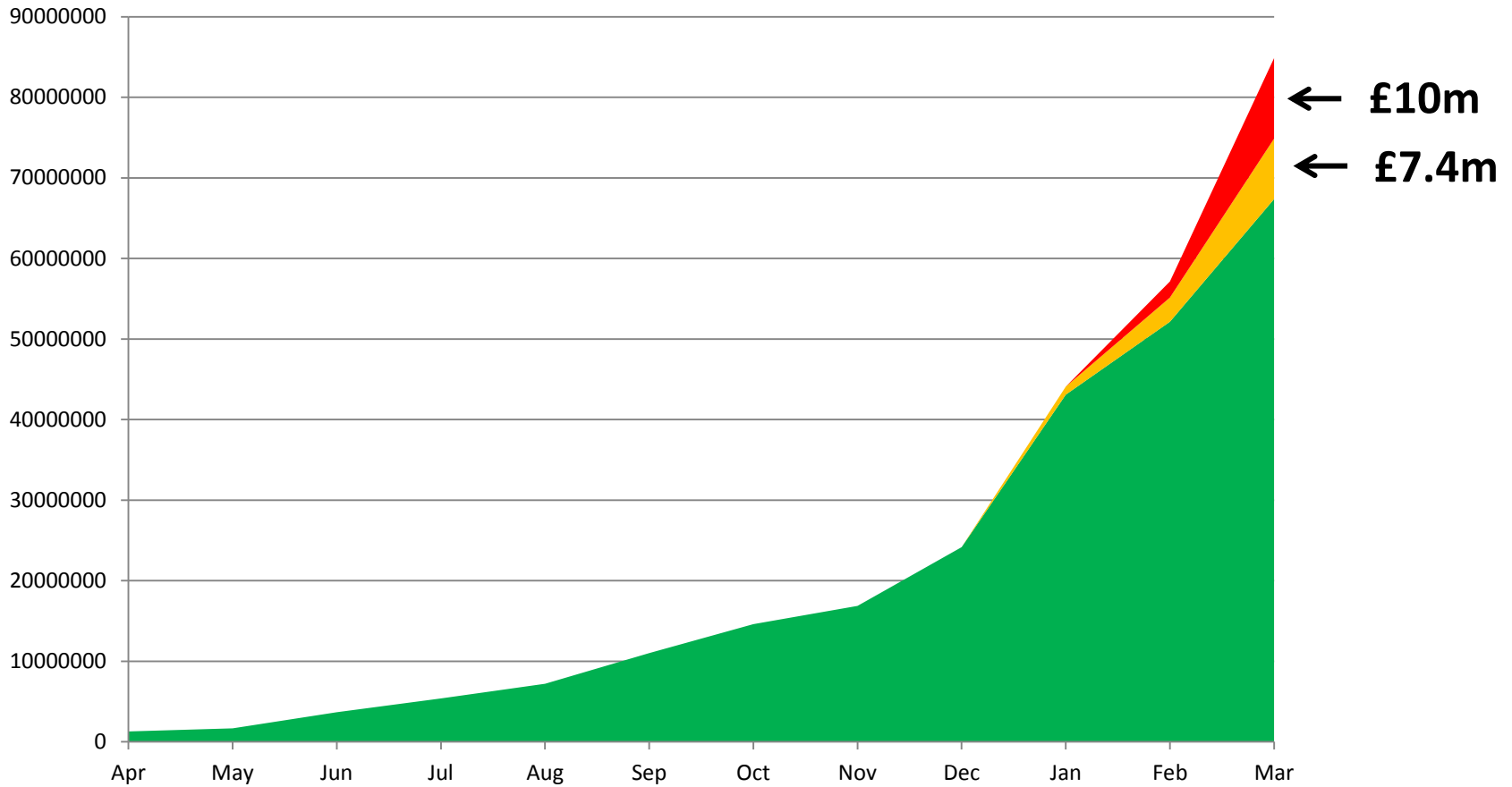
AFFORDABLE HOUSING IN THE SOUTH EAST

- England **2016-21 Affordable Housing Programme c.£9 billion**
- South East – of initial £4.7bn grant, over **£188m** allocated to deliver more than **9,100 homes**
- Since added a **further 5,563 homes** with almost **£46m grant funding** attached through Continuous Market Engagement
- Seeking to maximise affordable housing delivery in region by building a **healthy pipeline of opportunities**

SOUTH EAST PERFORMANCE

- Position at **end December 2017** – OA has achieved:
 - Start on Sites: 70.4% (against target of 5,911 units)
 - Completions: 83.7% (against target of 5,300 units)
 - Expenditure: 28.5% (against budget of £84.7m)
- Excellent levels of CME: c. £18.6m approved in period Sept to December resulting in addition starts of 2,219 over the programme period.

SOUTH EAST 17/18 EXPENDITURE



CLOSING THE GAP THIS YEAR

- Switch existing allocations to Rent
- Flexibility on RCGF usage
- Flexibility on grant rates to unlock difficult sites
- Bring forward starts and completions from next year
- Phase completions
- Firm up indicative allocations
- Land acquisition tranche



Willow Walk Homeless Hostel, Cambridge (Riverside)

LAND ACQUISITION TRANCHE

- Available on eligible schemes
 - Acquisition & Works
 - Package Deal (incl. Land)
 - Purchase & Repair
- Deed of Variation required
- Applies to any land in your ownership – don't have to buy since the announcement
- Ownership must be unconditional
- Must have paid out at least as much as being claimed, but doesn't have to be on acquisition specifically. Other eligible development costs qualify



Farrow Court, Ashford (Ashford BC)

Conclusion



- Affordable housing high on Government agenda
- Need to deliver – the Government has unlocked the barriers to delivery – we need to make sure we deliver this financial year
- Across the areas - ready to work together to bring forward affordable housing
- **Delivery in remaining 3 months 17/18 is the first test for the sector**
- **Work with the team.**
- **What more can you do?**

Contact Details

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