

**GREATER MANCHESTER PLANNING & HOUSING COMMISSION**

Date: 13 April 2016

Subject: Government Announcements

Report of: Marie Hodgson MRICS, Head of Area, Greater Manchester Homes & Communities Age

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**PURPOSE OF REPORT**

To update the Commission on a number of Government programmes recently announced made up of:

- Starter Homes – Land Fund and Consultation on Regulations
- Locally – Led Garden Villages, Towns and Cities
- Estate Regeneration

**RECOMMENDATION**

That the Commission notes the recent programmes announced and discusses the implications and opportunities they present for Greater Manchester

**CONTACT OFFICERS:**

Marie Hodgson MRICS, Head of Area, Greater Manchester Homes & Communities Age

## **1. GOVERNMENT PROGRAMMES ANNOUNCED**

- 1.1 A number of Government programmes have been announced recently, made up of:
- Starter Homes – Land Fund and Consultation on Regulations
  - Locally-Led Garden Villages, Towns and Cities
  - Estate Regeneration
- 1.2 The ten authorities of Greater Manchester are working with the Homes & Communities Agency (HCA) to ensure that opportunities for individual projects and place-based priorities can access the funding and other support which these new initiatives provide. A summary of each is provided below.

## **2. STARTER HOMES**

### **Background**

- 2.1 Following the Prime Minister's announcement in 2014 that 100,000 new homes will be acquired at a 20% discount by first time buyers, the Government launched a pilot programme of funding for Councils.
- 2.2 In the 2015 Autumn Statement the Government extended its ambitions for Starter Homes to 200,000 starts by 2020 (140,000 to be funded and 60,000 via the planning system). The Government has committed £2.3bn in total. Of this, a new prospectus has been launched for £1.2bn and the Government is consulting on a series of regulations relating to Starter Homes.

### **Unlocking the Land Fund**

- 2.3 As part of the 2016 Budget the Government released a prospectus for £1.2bn to unlock brownfield sites for the development of Starter Homes. It is hoped that this commitment will support up to 30,000 Starter Homes.
- 2.4 The Fund is aimed at Councils who are willing to form a partnership with the HCA to undertake land assembly and de-risking prior to development. The programme sets out an offer to Councils and a level of expectation from Government:

#### **The Government offer to Councils:**

- Access to the £1.2bn pot to assemble and prepare sites for development including unlocking Council owned sites;
- Recognition that high remediation costs can make some sites unviable and the programme has an overall recovery rate of 75%;

- The fund can be used to support change of use in town centres to residential to increase footfall and support wider regeneration initiatives;
- Access to a suite of HCA support including professional advice, equity investment to unlock Council owned land and procurement support;
- The HCA will work with Councils to bring in other Government land to support the partnership where appropriate;

In return the Government expectation of Local Authorities is:

- That the proposal is backed with a clear vision and strong leadership to support Starter Home development;
- That there is a supportive planning environment so that sites progress quickly through the system;
- That Councils make their own land available (where suitable) alongside acquisitions of third party land by HCA;
- That the sites must have started construction by 2020 and that at least 50% of the homes must be Starter Homes;
- Receipts from the sales of the land will be used to fund further Starter Homes later in the CSR period;
- That links are made to other Government policy priorities including devolution, town centres, Housing Zones and station regeneration;

2.5 The Government is seeking **Expressions of Interest by Friday 13<sup>th</sup> May** from Councils who wish to enter into a partnership with the HCA to accelerate the development of Starter Homes. The prospectus does not prescribe the nature of the partnership with HCA but the Government expects them to be of sufficient scale to make a material contribution to the Starter Homes target.

2.6 Once shortlisted the successful Councils will work with HCA to turn the Expression of Interest into the relevant form of partnership and then look at options to access the £1.2bn to acquire and de-risk sites. The funding can't be used to gap fund developers but can de-risk publicly owned sites with priority given to those sites capable of early development, good value for money and where the sites will add net additional homes (i.e.: without intervention they wouldn't come forward for development either due to their planning status or the costs of development).

**Consultation of Starter Homes Regulations**

2.7 The Housing and Planning Bill currently before Parliament includes powers for the Secretary of State to implement detailed regulations relating to Starter Homes. The Government is now consulting on the detail of these regulations and is seeking **responses by 18<sup>th</sup> May**. The consultation covers:

- Definition of a Starter Home (price cap, maximum discount, etc);

- Restrictions on the sale and letting of Starter Homes;
- Restrictions on those eligible to acquire a Starter Home (age, etc);
- Extent of Starter Homes provided through the planning system;
- Exemptions from the Starter Homes requirement in a S106 agreement;
- Monitoring and reporting of development of Starter Homes;

### 3. **LOCALLY-LED GARDEN VILLAGES, TOWNS AND CITIES**

3.1 The Government has acknowledged that large settlements have a key role to play, not only in meeting the country's housing needs in the short term, but also in providing a stable pipeline of housing well into the future. The Government is therefore encouraging more local areas to come forward with ambitious locally-led proposals for new communities that work as self-sustaining places, not dormitory suburbs.

3.2 In order to meet the eligibility criteria, these proposals must be new discrete settlements. Not an existing extension of a town or village, or take the form of transformational development, both in nature or in scale to an existing settlement. To support wider housing and growth ambitions, expressions of interest (**to be submitted by 31<sup>st</sup> July**) must be led by local authorities. Proposals which include support from private sector developers and/or landowners would be welcomed. Garden Villages will be new settlements of 1,500 – 10,000 new homes, and Garden Towns and Cities will be new settlements of at least 10,000 new homes.

3.3 There is no single model, factors which will be taken into account in deciding which expressions of interest to take forward will include:

- Local leadership and community support
- Quality and design
- Public sector and brownfield
- Local demand – meeting housing need locally
- Viability and deliverability
- Additional or accelerated delivery
- Starter Homes
- Support for small and medium enterprise home builders
- Innovation and infrastructure

Government is offering bespoke support to each local authority, which could include:

- Brokerage
- Access to Government housing funding streams
- Financial flexibilities
- Planning freedoms
- Delivery vehicles (where required)

#### 4. ESTATE REGENERATION (CONSULTATION)

4.1 £140m of loan funding has been set aside by Government to support an ambitious estates regeneration programme. An Expert Advisory Panel has been established, led by Lord Heseltine, and is seeking **Expressions of Interest by the end of April** setting out issues which the Government will need to consider in bringing forward a significant programme, including:

- Deliver regeneration through redevelopment of existing social housing
- Viability – development vehicles should be private sector
- Multiple or innovative funding sources
- Preparatory work – land assembly, identification of infrastructure
- Design – community engagement and support
- Arrangements for existing residents – tenure mix?
- Ultimately deliver a net increase in new housing supply
- Wider social benefits such as positive effects on local employment, health, poverty, education and training
- Delivery plan with workable and reasonable timetable.