

Successful places
with homes and jobs



**A NATIONAL
AGENCY
WORKING
LOCALLY**

Key Themes in Government
Initiatives for Housing Delivery:
New Flexibilities in Affordable
Housing

Housing Forum 15 Dec 2016

Autumn Statement: Spending headlines



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- Extra £1.4 billion to deliver an additional 40,000 affordable housing starts by 2020/21
- A new Housing Infrastructure Fund of £2.3 billion (recoverable investment) to unlock new housing supply with the potential to deliver up to 100,000 homes
- £2 billion of funding to pilot 'accelerated construction' to speed up housebuilding on surplus public sector land
- London will receive £3.15 billion in AH funding to deliver more than 90,000 homes
- Funding of an expanded regional pilot of the VRtB for housing association tenants
- Doubling the size of the Rough Sleeping Fund to £20 million over two years (2016/17 and 2017/18)



Government key messages



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- This Government has set out an ambition of creating a country that works for everyone.
- The Autumn Statement ensures we are taking steps to deliver this by:
 - Building more of the right homes, in the right places, and ensuring the housing market works for all parts of our community
 - Giving places across the country the tools to drive growth and productivity, including through our Northern Powerhouse and Midlands Engine strategies and the latest round of Growth Deals
- The substantial new investment of £5.3 billion in housing will help to create a step change in the number of new homes being built, both in this Parliament and beyond.



Government's Policy Drivers



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- a) JAMs
- b) Supply
- c) Ownership: the majority of resources in the SOAHP 16-21 remain focussed on ownership.
 - The fiscal situation remains tight, but housing and infrastructure (and housing as infrastructure) are priorities.
 - Proposal for a White Paper announced by Sajid Javid: The forthcoming Housing White Paper will set out further details of a comprehensive package of reforms to increase housing supply and tackle rising housing costs.



Autumn Statement: Affordable Housing

Current funding: Pre-AS		➔	Post-AS		➔	HCA's share		New funding (nat'l)	
	Spend (£bn)			Spend (£bn)			Spend (£bn)		Spend (£bn)
Shared O/ship	4.1		Share		Share		Share		
Affordable rent	-		Share		Share		Share		
Rent to Buy	0.2		Share		Share		Share		
Specialist Rent	0.4		0.4		0.3				
Total	4.7		4.7		2.6		1.4		

Notes:

- £0.8bn to deliver 16-21 committed programme (including 33,500 starts)
- £50m to deliver 1,111 homes through the Second-Stage housing fund

Affordable Housing: Implementing the Autumn Statement

- SOAHP 16-21 Initial Bid Round Allocations
 - Positive outcome
 - No renegotiation
- Opening for Continuous Market Engagement
- Affordable Rent to maximise supply
- Rent to Buy for JAMs



Housing Association Sector Context



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- Regulation
- NHF's 'Ambition to Deliver': 120,000 homes pa by 2035
- Savills' analysis
 - HAs have the financial capacity to deliver 44,000 extra new homes pa by 2029
 - Grant is needed to realise this.
 - Almost half the additional financial capacity is with (large) LSVTs
 - Opportunities for growth exist in most areas,
 - Barriers include: skills shortage, lender attitudes and regulatory concerns; collaboration within the sector is key.



Housing Infrastructure Fund

- David Gauke MP to Diana Johnson MP, 07 December
- The £2.3bn Housing Infrastructure Fund will be used to support local authorities in areas of high housing demand to deliver up to 100,000 homes through providing the vital infrastructure needed to make new housing developments possible – whether that is delivering new roads, faster broadband or improvements to gas and water supply. Money will be competitively allocated to the projects that deliver additional homes in areas of high housing demand.



Housing
Infrastructure
Fund?

Further
details will be
set out next
year.



Accelerated Construction

- £2 billion to de-risk development
- 15,000 homes – at speed
- On HCA/public owned sites
- Development of partnerships at the local level: looking at ambition for scale, speed of delivery and innovation (in terms of new entrants or MMC)





Keep in touch

- Additional information may be posted on the SOAHP 2016-21 page on GOV.uk and providers are advised to check regularly:
<https://www.gov.uk/government/organisations/homes-and-communities-agency>
- Providers can submit queries to AHPFAQ@hca.gsi.gov.uk