

GREATER MANCHESTER PLANNING & HOUSING COMMISSION

Date: 17 January 2017

Subject: Autumn Statement and Subsequent Announcements

Report of: Eamonn Boylan, Chief Executive Stockport Council and GM Lead
Chief Executive Planning & Housing

PURPOSE OF REPORT

To brief members on the key relevant announcements in the Autumn Statement and subsequently.

RECOMMENDATION

That the Commission note the evolving direction of Government policy and request further briefing on the forthcoming Housing White Paper.

BACKGROUND

The new Chancellor's Autumn Statement included a number of significant housing related announcements, mainly focusing on housing delivery and infrastructure. Further detail has since emerged on some of those announcements, and this note briefly summarises what is currently known.

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KEY MEASURES

The Government will publish a Housing White Paper shortly, setting out “a comprehensive package of reform to increase housing supply and halt the decline in housing affordability”. This seems likely to be a substantial document aimed squarely at overcoming barriers to housing delivery, and we will brief the Commission on the White Paper once it is available. We understand that one of the issues this will address is the methodology to calculate Objectively Assessed Need for housing, which the Commission will want to note could have implications for the housing figures in the GM Spatial Framework.

However the Autumn Statement contained a number of significant funding measures related to the expected policy direction in the White Paper, and there have also been several subsequent announcements, as follows:

1. **Housing Infrastructure Fund** – a new Housing Infrastructure Fund of £2.3 billion by 2020-21 was announced, which forms part of a broader **National Productivity Investment Fund (NPIF)** which will be targeted at four areas Government sees as are critical for improving productivity: housing, transport, digital communications, and research and development (R&D).

The NPIF will provide for £23 billion of spending between 2017-18 and 2021-22, to fund projects that “demonstrate a clear and strong contribution to economic growth”. The NPIF will provide additional support in order to:

- accelerate new housing supply
- tackle congestion on the roads and ensure the UK’s transport networks are fit for the future
- support the market to roll out full-fibre connections and future 5G communications
- enhance the UK’s position as a world leader in science and innovation

Specific projects will be decided in due course, using value for money assessments following HM Treasury standards, using expert bodies such as (for the housing element) the Homes & Communities Agency. Further details have yet to be announced, but we understand the Housing Infrastructure Fund will be allocated to local government on a competitive basis, will provide infrastructure targeted at unlocking new private house building in the areas where housing supply is lagging. This will deliver up to 100,000 new homes. Government will also examine options to ensure that other government transport funding better supports housing growth.

2. **Affordable homes** – the Autumn Statement announced relaxation of restrictions on grant funding from the HCA’s Shared Ownership and Affordable Homes Programme (SOAHP) to again allow providers to bid for grant funding to support delivery of new Affordable Rent properties as well as other low cost ownership products. The NPIF will also provide an additional £1.4 billion to deliver an additional 40,000 housing starts by 2020-21.

A revised prospectus for bids from housing providers was published on 5 January, alongside announcements of allocations made under earlier bidding.

No GM-specific figures have been published, but the North West as a whole has been allocated £274 million from a total of almost £1.3 billion allocated outside London in this first phase.

3. **Accelerated construction** – The Autumn Statement also repeated an announcement from early October, that government would pilot accelerated construction on public sector land, backed by up to £2 billion of funding. Under that heading, £1.7 billion will be invested by 2020-21 through the NPIF to speed up house building on public sector land in England through partnerships with private sector developers. A prospectus was published by CLG on 3 January, seeking expressions of interest from local authorities by end February in accelerated development on surplus local authority land, with an apparent intention to agree tailored packages of support based on local circumstances and opportunities.
4. **Right to Buy** – The Government will fund a large-scale regional pilot of the Right to Buy for housing association tenants. Over 3,000 tenants will be able to buy their own home with Right to Buy discounts under the pilot, which is intended to allow Government to “more fully test demand and specific aspects of the scheme” not tested in the earlier small pilots. This will be done without requiring local authorities to sell higher value properties, as had been previously suggested, until 2018-19 at the earliest.
5. **‘Pay to Stay’** – Government has decided not to proceed with the powers taken in the 2016 Housing & Planning Act to require local authorities to charge higher rents for council tenants with household earnings over £31,000 per annum.
6. **Letting agent fees** – The Government will ban letting agents’ fees to tenants, to “improve competition in the private rental market and give renters greater clarity and control over what they will pay”. The Department for Communities and Local Government will consult ahead of bringing forward legislation.