

# SW Overview of the Accelerated Delivery Programme

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# Introduction

- The challenge we collectively face
- Government policy direction
- Partnering LAs
- Tools in the armoury
- Conclusions



House building in 1920s



House building in 2000s

# The importance of Housing to UK economy



**61% of England's net  
worth is attached to  
housing**

Source : [www.audacity.org](http://www.audacity.org) 2012

# The importance of Housing to UK economy



Britain would have a price tag of £8,800,000,000,000 (**£8.8 trillion**) if the whole country – and everything in it – was put up for sale, according to experts at the [Office for National Statistics](#)

December 2015

# The importance of Housing to UK economy



ONS estimates the contribution of housing at £5.5 trillion, up 7% on 2014, representing **62.5%** of total UK worth.

December 2015

# The importance of Housing to UK economy



Savills research publication valued UK housing stock at £6.79 trillion in 2016:-

- Over 65s hold 43% of value
- Under 35s hold 5% of value

# The importance of Housing to UK economy



Restoring “affordability ratios”  
seen in the 1990s would require  
house prices to **fall 40%**  
nationally, and probably more  
than **50%** in London

Patrick Collinson, Guardian August 2017

# The challenge for Government



How can Government restore balance to the housing market and improve affordability, without damaging the UK economy and disaffecting millions of voters?

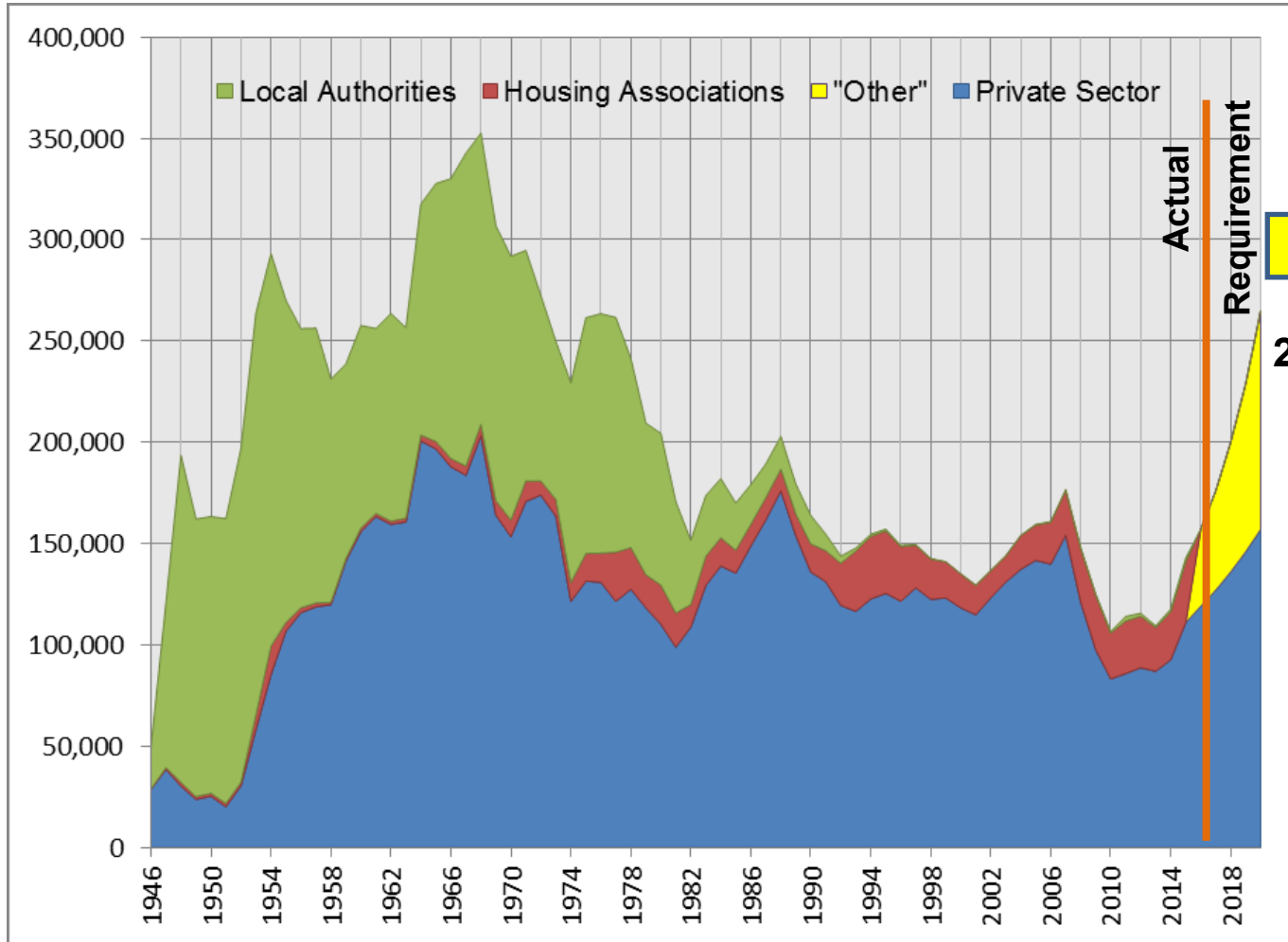


# Key Government policy approaches



- Raising annual house building rates to 250,000 a year by 2020
- Significantly increasing the pace of delivery in the short term
- Driving industrial productivity in the house building industry
- Diversifying the supply base

# The scale of the challenge...



Cannot rely on volume house builders > 150k homes per year

Need to re-energise SME/regional house builders

Potential of public sector land (incl. LA land) as catalyst for change

250,000+ beyond 2020

OSM increases capacity and resilience

LA Housing companies/ RP potential

Custom build, community-led development etc.

Private Rented Sector (at scale)

Goal to create long term transformational change in supply of new housing which is sustainable in the long term.

# Planning for the right homes in the right places: consultation



- New approach to Objectively Assessed Need for Local Plans.
- Encouraging greater co-operation between adjoining LAs.
- Improving viability assessments and potential S106/ Community Infrastructure Levy reforms
- Links Local Planning to Neighbourhood planning.
- £2.3 billion Housing Infrastructure Fund and “Housing Deals”.

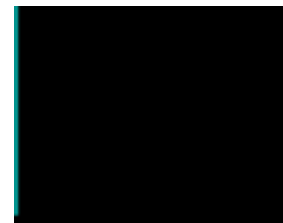
# Reasons to be cheerful...



Good evidence of progress in the SW :-

- **Cornwall** – new Local Plan, ambitious targets, LA Housing Company, focus upon accelerated delivery.
- Improved LA co-operation in evidence for **Plymouth TTWA, Greater Exeter Growth Area and West of England (Greater Bristol)**.

## Housing Infrastructure Fund



£2.3 billion of “funding of last resort” available to LAs to support “infrastructure delivery” required to unlock housing (Government target to unlock 100,000 homes)

# Housing Infrastructure Fund



- Marginal viability bids on a project basis of up to £10m for each scheme
- Forward funding bids for programmes of up to £250m
- Bids closed on 28 September

## Housing Infrastructure Fund



Early indication is that over 400 bids submitted, with potential to deliver almost 1.5 million homes, but funding is five times oversubscribed.

Value for money and deliverability assessments now commencing.

# Accelerated Delivery Programme



- HCA is a major land owner (8,300 Ha+, 10% of which is in SW).
- Complex brownfield sites.
- Increasing pipeline of public land transfers.



# Louisberg Barracks, Bordon, Hampshire



HCA has invested £20m to unlock 500 homes (with Barratt David Wilson Homes) as part of a mixed use development

# Former RAF Base, Locking, Weston super Mare



HCA working with St Modwen Homes to deliver mixed-use development, including 1,450 homes.



# Millbay Docks, Plymouth



# Millbay Docks, Plymouth



Working in partnership with English Cities Fund to deliver 1,400 homes, marina, school and retail/leisure quarter.



# Centenary Quay, Southampton



HCA working with Crest Nicholson to deliver phased development of over 1,600 homes, plus commercial uses.

## HCA traditional approach...



- Development Agreements with lead private sector partner.
- Pace of delivery is dictated by local market conditions.
- Projects profiled have taken up to 10 years to deliver to date.

## Recent Government interest..



- HCA to be more interventionist.
- Disrupting traditional market approaches and reliance on volume house builders.
- Promoting new technology and innovation to accelerate pace.

# Which has encouraged thoughts of....



- Use of funding to unlock “stalled delivery” (incl. CPO)
- “Land value capture” propositions with LAs
- Greater support to SME sector



# Which has encouraged thoughts of....



- Promoting more custom build opportunities.
- Broadening the tenure base.
- Dictating faster delivery of pace of delivery on HCA sites.

# Promoting Off-Site Manufacture



- Working with Mark Farmer to define OSM within land disposal procurement.
- Generating sufficient volume to reduce price point.

# Promoting Off-Site Manufacture



- In process of identifying a number of sites where high % of OSM will be specified at outset of procurement in tandem with agreed contractual pace of delivery.
- May specify custom build + SME disposal packages within site.

# Off-Site manufacture of housing can be....



High quality design

Highly desirable

Excellent space standards

Superb environmental performance

A strong investment

A lifestyle choice

Part of wider place making

A highly adaptable and flexible lifetime home

Follow innovation widely used in commercial sector

## Some darker clouds...



- Current 80/20 accent on price over quality.
- The Residual Method of Valuation of development land.

# Affordable Homes Programme

## 16-21



Programme is open to new bids with a strong desire in the SW to increase the level of starts that can be achieved before the end of March 2017.

Projects incorporating OSM will be prioritised.

# Affordable Homes Programme 16-21



Strong partnership working in evidence between the largest developing Registered Providers in the SW to aggregate the pipeline of development in order to seek cost effective OSM solutions.

# Affordable Homes Programme



Opportunity to promote greater investment and delivery of social housing, including estate regeneration initiatives in response to the Green Paper on Social Housing.

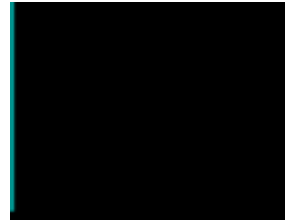


# The HCA Home Building Fund



- £2billion of “recoverable loans” to support private sector delivery of housing.
- 162 funding arrangements have unlocked 43,000 homes to date.
- OSM schemes prioritised.

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## Other areas of work...



- Capacity funding to LAs to support emerging Garden Village and Town proposals.
- Housing Zone Delivery.

# Conclusions



- Autumn Statement is key
- OSM needs to prove itself in delivery
- Accent is on strong partnership working with LAs



Rural affordable housing delivery in the SW