

STARTER HOMES

Cabinet Member Cllr Richard Chesterton
Responsible Officer Head of Planning and Regeneration – Jenny Clifford

Reason for Report: To seek ratification of an Expression of Interest made to the Homes and Communities Agency for funding and other support for the delivery of starter homes.

RECOMMENDATION:

That:

- 1) **The Expression of Interest made to the Homes and Communities Agency (HCA) under the prospectus “Starter Homes: Unlocking the Land Fund” is ratified; and**
- 2) **Delegated authority is granted to the Heads of Housing and Planning & Regeneration in consultation with the Cabinet Members for Housing and Planning and relevant ward members to refine and prioritise a list of sites suitable for starter homes and seek a partnership with the HCA to deliver these.**

Relationship to Corporate Plan: A partnership with the HCA will facilitate delivery of starter homes and other forms of housing (market and affordable), in accordance with the Corporate Plan’s priority of providing the homes Mid Devon needs.

Financial Implications: £1.2 billion has been made available nationally through the Starter Home Land Fund. A partnership with the HCA would provide funding for remediation, de-risking and acquisition of sites for starter homes, with receipts from the sale of remediated land used to support the delivery of more starter homes. This boost to housing delivery will also generate an increase in the New Homes Bonus. If remediation works on sites go over budget, this would be a financial risk for the Council.

Legal Implications: Acquisition and sale of land will have a resource implication for the Legal team.

Risk Assessment: Accelerating housing supply will reduce the risk of speculative housing proposals coming forward on unsuitable sites, and appeals being granted on the basis of an insufficient housing supply in Mid Devon. Careful planning of a portfolio of starter home sites will be essential to minimise financial risk.

1.0 INTRODUCTION

1.1 In March 2016 the Department for Communities and Local Government (DCLG) published a prospectus titled Starter Homes: Unlocking the Land Fund. This follows a Government drive to provide starter homes through changes to national planning policy and the introduction of the Housing and Planning Act 2016. Starter Homes are new homes for first time buyers aged

between 23 and 40, to be sold at a discount of 20% on their open market value, which has a price cap of £250,000. Regulations may amend the price cap in the future. Starter homes differ from traditional models of affordable housing in that they are owned outright by the buyer, who is entitled to sell the property at full market value after a period yet to be defined in regulations. The Housing and Planning Act imposes a duty on local authorities to promote the supply of starter homes and prepare reports which monitor that supply.

2.0 THE STARTER HOMES OFFER

2.1 The March 2016 prospectus is offering funding and other support to local authorities who are quick to respond to the starter homes policy. Partnerships with the HCA are to be used to acquire, assemble and de-risk land for starter home developments which can be built out by developers by 2020. There is a preference for brownfield land already in public ownership, though privately-owned land is not excluded. At least 50% of the site must be given over to starter homes, but the rest could be market housing, a mixture of affordable housing tenures, or used to deliver community facilities. To warrant a partnership with the HCA, local authorities are expected to be able to deliver between 300 and 600 starter homes across several sites.

2.2 In assessing Expressions of Interest, the HCA will give priority to sites which:

- Are capable of early delivery
- Offer value for money
- Increase housing supply (not already allocated in adopted Local Plans, or if they are, can deliver a higher density or have been stalled with little private sector interest)

2.3 As well as equity investment, a partnership with the HCA would contribute expertise in negotiating with developers and provide technical advice. In return, the Council would be expected to demonstrate a clear vision for housing growth, strong leadership, a supportive planning environment, a clear pipeline of suitable sites and a commitment to seek further public and private investment.

3.0 EXPRESSION OF INTEREST

3.1 With input from the Head of Housing and Cabinet members for Housing and Planning & Regeneration, the Forward Planning team submitted an Expression of Interest by the deadline of 13th May.

3.2 A provisional list of 35 sites has been identified (attached at Appendix I), with potential to provide 725 dwellings (364 starter homes). This exceeds the threshold to justify an HCA partnership, though further work is required to refine the list of sites, establish likely build rates and assemble a portfolio of priority sites for further discussion with the HCA. The sites include proposed allocations within the emerging Local Plan Review, existing Local Plan allocations that are considered stalled, land in local authority ownership (mainly underused garage blocks within housing estates) and sites that already have planning permission but have not commenced. A small number do not fall within these categories but may be considered suitable.

- 3.3 This report seeks an endorsement of the Expression of Interest in principle, and delegated authority to the Head of Planning & Regeneration and Head of Housing in consultation with Cabinet Members for Housing and Planning & Regeneration, and relevant ward members, to finalise a list of sites and work towards the delivery of starter homes in the event of an HCA partnership being offered.

Contact for any more information	Liz Pickering, Forward Planning Team Leader 01884 234344
Background Papers	The Starter Homes prospectus can be viewed at https://www.gov.uk/government/publications/starter-homes-unlocking-the-land-fund
File Reference	None.
Circulation of the Report	Cabinet Member for Housing Cabinet Member for Planning & Regeneration Management Team

Appendix I

No.	Site name	Area (ha)	Ownership	Current planning status	Total number of homes	Number of Starter Homes
1	Roundhill, Tiverton	0.4	Local Authority	Allocated in Local Plan	17	8
2	Tidcombe Hall, Tiverton	5	Private	Contingency site	100	50
3	29-31 Leat Street, Tiverton	0.2	Private	None	8	4
4	Phoenix Lane, Tiverton	1.1	Private	Proposed allocation in Local Plan	60	30
5	Former Post Hill Hospital, Tiverton	0.9	Private	Allocated in Local Plan	21	10
6	The Garage, Silverton	5	Private	Proposed allocation in Local Plan	5	2
7	The Bike Shed, Crediton	0.16	Private	Allocated in Local Plan	10	5
8	The Woods Group, Crediton	0.17	Private	Allocated in Local Plan	7	3
9	East Langford/Hollywell, Bow	1.2	Private	Proposed allocation in Local Plan	23	11
10	Tower Meadows, Chawleigh	0.4	Private	None	16	8
11	Depot, Hemyock	0.55	Private	Proposed allocation in Local Plan	13	6
12	Former Tiverton Hotel, Sampford Peverell	0.45	Private	Proposed allocation in Local Plan	14	7
13	The Old Abbatoir, Coplestone	1.5	Private	Proposed allocation in Local Plan	45	22
14	Crediton Rugby Club	2.8	Private	Proposed allocation in Local Plan	90	45
15	Former Tile Factory, Westleigh	4.7	Private	None	113	56
16	Former Stone Crushing Works, Bampton	3.41	Private	Planning permission granted	18	9
17	East of Simla Cottage, Bampton	0.45	Private	Planning permission granted	4	2
18	47 Mill Street, Crediton	0.07	Private	Planning permission granted	10	5

No.	Site name	Area (ha)	Ownership	Current planning status	Total number of homes	Number of Starter Homes
19	Rices Cottage, Cullompton	0.03	Private	Planning permission granted	6	3
20	Former St Ivel Factory, Hemyock	0.27	Private	Planning permission granted	8	8
21	Land and Buildings, Thorverton	1.1	Private	Planning permission granted	20	10
22	The Old Brewery, Uffculme	0.06	Private	Planning permission granted	6	3
23	The Gables, Willand	0.85	Private	Planning permission granted	14	7
24	Land adjoining Town Hall, Tiverton	0.5	Local Authority	Planning permission granted	58	29
25	Old Road car park, Tiverton	0.25	Local Authority	None	10	5
26	Ashley Close, Uffculme	0.1	Local Authority	None	4	2
27	West Street, Bampton	0.1	Local Authority	None	4	2
28	Ayshford Close, Burlescombe	0.07	Local Authority	None	3	2
29	Russet Close, Uffculme	0.07	Local Authority	None	3	2
30	Branscombe Road, Tiverton	0.06	Local Authority	None	2	1
31	Marshall Close, Tiverton	0.06	Local Authority	None	2	1
32	Shortlands, Uffculme	0.05	Local Authority	None	2	1
33	Broadlands, Thorverton	0.06	Local Authority	None	2	1
34	Richmond Close, Sampford Peverell	0.06	Local Authority	None	2	1
35	Watery Lane, Tiverton	0.13	Local Authority	None	5	3
Total		32.28			725	364