

Jenrick acts to safeguard affordable homes during pandemic

Press release

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Following unavoidable delays in the construction industry due to coronavirus, it is estimated that the building of 53,000 new affordable homes have stalled. The Government is stepping in to safeguard funding and make sure these much-needed homes are not lost altogether, extending the current Affordable Homes Programme until March 2023.

Homes to be built under the Government's £9 billion scheme originally needed shovels to be in the ground by March 2022. However, today's announcement means that housing associations and councils have a year longer to begin building these homes while still receiving Government support, giving them the flexibility and certainty they need to keep building across the country.

The announcement follows confirmation last week that the new £12 billion Affordable Homes Programme – which will start next year – will support up to 180,000 new affordable homes, including for shared ownership and social rent. The programme will lead to a further £38 billion in public and private investment in affordable housing.

Housing Secretary Rt Hon Robert Jenrick MP said:

Today I am announcing that we are giving more flexibility to housing associations and councils to help them deliver affordable homes. We've listened closely to the sector and agreed that there

will now have a longer deadline for using Government funding to get these homes built.

Building the homes the country needs is central to the mission of this Government as we prioritise uniting and levelling up the country.

More than 1.5 million new homes have been delivered since 2010, including more than 460,000 affordable homes.

This follows the announcement last week of a package of measures to support home building across England, including:

- An ambition for the Affordable Homes Programme to fund a 1,500 unit pilot of 'First Homes': homes that will be prioritised for local first time buyers and key workers at a 30% discount. The discount will be locked-in to the property in perpetuity, keeping them affordable for generations of families to own.
- Allocating £360 million of funding from the £400 million Brownfield Land Fund to the West Midlands, Greater Manchester, West Yorkshire, Liverpool City Region, Sheffield City Region, North of Tyne and Tees Valley to support around 24,000 homes.
- Helping smaller developers to access finance for new housing developments by boosting the Home Building Fund with an additional £450 million of investment. This is expected to support delivery of around 7,200 new homes.
- Reforming the planning system to kick start the construction industry, speed up rebuilding and make it easier to build better homes where people want to live. This includes making it easier to repurpose more commercial premises without requiring a planning application, builders no longer needing a planning application to demolish and rebuild unused buildings if they are rebuilt as homes, and property owners being able to build additional space above their properties through a fast track approval process.
- A new, ambitious cross-Government strategy, to be published ahead of the Spending Review, looking at how public sector land can be managed and released so it can be put to better use. This would include measures for home building and improving the environment.

Further Information

- Housing associations and councils will now have a longer deadline to deliver new affordable homes, with the new homes to be started by March

2023.

- Previously, homes delivered using the Government's current £9 billion Affordable Homes Programme (AHP) had to have spades in the ground by March 2022.
- This extension applies to homes which are in contract to be delivered by the current £9 billion Affordable Homes Programme.
- The new £12 billion for affordable housing announced at Budget is in addition to the homes being secured through this extension.
- Today's announcement follows news last month that planning permission deadlines will be extended.
- Planning permission usually expires after three years if work has not started onsite. Sites with consent that have an expiry date between the start of lockdown and the end of this year will see their consent extended to 1 April 2021.
- The Government estimates that by the end of June alone, more than 400 residential permissions providing more than 24,000 new homes would have expired. The extension of planning permission deadlines will help these developments and more to resume as the economy recovers.

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