

[News story: More support to boost house building momentum](#)

Further steps that will support the government's comprehensive plans to build the homes the country needs were announced today (13 March 2018) by the Chancellor.

The measures include £100 million to back the Mayor of the West Midlands' ambitious plan to deliver 215,000 homes and confirmation of an £1.67 billion funding package for London to build affordable homes that families living in the capital so desperately need.

£60 million investment has also been announced to boost the Housing Growth Partnership fund that supports small and medium sized housebuilders enabling them to invest in housing projects and develop their businesses – so they can play their part in getting Britain building again.

Sir Oliver Letwin has also set out [next steps of his independent review](#) into the gap between planning permissions granted and homes completed.

These measures build on the major overhaul to the National Planning Policy Framework focused on increasing the supply of land, maintaining protections for the Green Belt and a greater emphasis on converting planning permissions into homes, [launched last week by the Prime Minister](#).

Measures announced as part of the Spring Statement:

West Midlands Housing Package

A £100 million funding boost to the West Midlands for a [housing package](#) to support the mayor's ambitious target of delivering 215,000 homes by 2030 to 2031.

The funding, which will help acquire land and prepare it for housing as well as increasing density, recognises the Mayor's commitment to increase delivery to nearly 16,000 homes a year and ensure that all local authorities in the area have local plans in place by the end of 2019 that reflect the commitment to deliver 215,000 homes.

We will be taking the Housing Infrastructure Fund Forward Funding bid for Housing Growth Areas including the Commonwealth Games site at Perry Barr through to co-development – the next stage of the competitive HIF process.

This comes ahead of a planned announcement next week setting out the 44 areas we will work with through the Housing Infrastructure Fund. Through this co-development stage we will be working with areas to develop projects with £4.1 billion available, to help build the homes the country needs.

Funding boost to build affordable homes in the capital

A £1.67 billion funding package for London – to build 26,000 more of the affordable homes that are desperately needed by working families struggling with the costs of rent.

This deal, as part of the government's commitment to actively boost affordable housing supply, will overall see at least 116,000 more affordable homes in London and bring the total funding for affordable housing in London to £4.8 billion.

Giving a clear sign that the government recognises the acute housing problems faced in London this move is a key part of supporting councils and housing associations in the city to build more homes at rents that are affordable to local people.

This additional funding will deliver homes for social rent, as well as homes for London Affordable Rent, flexible shared ownership and rent to buy. At least two-thirds of the homes built with this additional funding will be for rent.

With London's population growing at its fastest rate in history and expected to rise to 9 million by 2020 the government has already delivered nearly 82,000 affordable homes in the area, including 58,000 homes specifically for rent since 2010.

And work continues with the Mayor, who has overall responsibility for housing policy and delivery in London.

£60 million investment has also been announced to boost the Housing Growth Partnership fund that supports small and medium sized housebuilders enabling them to invest in housing projects and develop their businesses – so they can play their part in getting Britain building again.

Lloyds Banking Group have match funded to bring the total additional investment to £120 million. The Partnership, launched in 2015, now stands to be worth £220 million, delivering 3,400 homes.

This money will help fund smaller builders to be able to invest in projects and develop their businesses – allowing them to recruit and train skilled workers and become more competitive in their area.

Early review findings to tackle barriers to building

Early findings of the independent review to understand why hundreds of thousands of homes haven't been built, despite having planning permission has been published in a [letter to the Chancellor and Sajid Javid](#).

Originally announced at Autumn Budget, the review, led by Sir Oliver Letwin

is looking to explain the gap between the number of planning permissions being granted against those built in areas of high demand.

The first phase, which aimed to identify the main causes of the gap by reviewing large housing sites where planning permission has already been granted, focused on information-gathering sessions with local authorities, developers and non-government organisations and visits to large sites.

Sir Oliver's review has found that the absorption rate – the rate at which newly constructed homes can be sold into the local market – appears to be a fundamental driver of the rate at which houses are built.

In advance of publishing a Draft Analysis in June, Sir Oliver will investigate whether increasing the variety of homes built increases the rate at which homes can be sold. The final report will make recommendations on practical steps to increase the speed of build out is expected at Autumn Budget this year.

Thousands of first time buyers have already benefitted from the stamp duty relief the government announced at the Autumn Budget and over a million first-time buyers are set to benefit over the next 5 years.