

Press release: Homes England agrees first wave of strategic partnerships to ramp up building of affordable homes

Homes England has today announced strategic partnerships with eight ambitious housing associations to deliver more affordable homes across the country.

The first wave of this new partnership approach will deliver 14,280 additional affordable homes by March 2022. The deals include homes for social rent in areas of high affordability pressure, with the funding available boosted by the Government's announcement of an additional £1.67bn for the £9bn affordable homes programme. This new approach will also boost the wider supply contribution from the sector, with the eight partners signing up to deliver more than 23,500 additional homes across all tenures, including for market sale.

In total, Homes England will provide a funding package of just under £590m through to March 2022 to support the first wave of strategic partnerships with: emh group; Great Places; Home Group; Hyde; L&Q; Matrix Partnership; Places for People; and Sovereign / Livery.

Secretary of State for Communities the Rt Hon James Brokenshire MP said:

"There is no mission more urgent than making our housing market work, and we are investing £9bn in building affordable homes.

"This £590m fund we are giving Homes England will help housing associations accelerate the delivery of affordable properties communities need."

Today's announcement marks the first step towards a new way of working between Homes England and its partners, adopting a programme approach to delivery, with plans to explore how adopting this approach across Homes England's land, funding and powers can further generate additional supply. Homes England will also re-open discussions with the sector this summer on a second tranche of strategic partnerships. The national housing agency will also be looking at the lessons learned from the first wave of deals to see what flexibilities can be offered to site-by-site based bids.

The deals come only six months after Homes England CEO Nick Walkley challenged the sector to form a new type of partnership with Government to increase the supply of affordable homes.

Nick Walkley said:

"When we launched Homes England, I called on housing associations to work with us to develop ambitious strategic partnerships that would help them to get on and build significantly more affordable homes than they were

previously planning. After a huge amount of hard work, these new deals show our real determination to combine ambition, flexibilities and the full range of our resources to change the way we deliver affordable homes.

“This is a very important day for us but we have no intention to stop here. Over the summer, we will work to expand the eight deals to become even more ambitious while agreeing a second wave of strategic partnerships with other ambitious housing associations. This is a fantastic opportunity for the sector to up its game and get more affordable homes built more quickly.”

A project group comprising the National Housing Federation and the Ministry for Housing, Communities and Local Government was established to understand the barriers to delivery, form a new relationship with Homes England, and design a revised investment framework to increase delivery of new housing supply through new ways of working.

David Orr, Chief Executive of the National Housing Federation, said:

“We are delighted to have worked in close partnership with Homes England on this new approach to investing in affordable housing, which will support housing associations’ vital work to help solve the housing crisis.

“These strategic partnerships give ambitious housing associations the investment and flexibility they need to help increase the supply of new homes. We have been clear for many years that this will be a huge help in increasing delivery, and these partnerships are a testament to housing associations’ determination to build many more new homes.

“We now look forward to working with the Government to make these new flexibilities over grant and tenure more widely available.”

The eight housing associations have all committed to significant increases in their development programmes, in exchange for an additional year’s funding beyond the current spending review settlement and the ability to use their funding flexibly across their development programme in response to the ebb and flow of progress on individual sites. They will also be able to respond to local markets by determining the tenure of affordable homes as they near completion on individual sites, by managing the overall tenure balance through the oversight of a Strategic Partnership Board with Homes England.

Ends

For further media information please contact: Shaun Harley in the Homes England press office on 07989 203272 or shaun.harley@homesengland.gov.uk.

Partnership	Grant	No. of additional affordable starts to March 2022
emh group	£30.5m	748
Great Places	£29.2m	750
Home Group	£85m	2,300
Hyde	£95.4m	1,623
L&Q	£85m	1,724

Partnership	Grant	No. of additional affordable starts to March 2022
Matrix Partnership	£77m	2,257
Places for People	£74m	2,603
Sovereign/Liverty	£111.5m	2,275

What the partners are saying

On behalf of the Matrix Partnership, Chris Handy, Chief Executive, Accord Housing Group, said:

“We welcome the new partnership approach which brings significant growth opportunities in affordable housing and wider supply for more than a generation.

“Matrix and its housing association and local authority partners look forward to the opportunity to work with Homes England delivering a high percentage of our ambitious programme through the new Local Homes Offsite manufacturing hub.”

Mark Washer, Chief Executive of Sovereign and Paul Crawford, Chief Executive of Liverty, said:

“This deal, a new way of working of together, has the potential to be a real game changer for many of our communities across the south west, where people can really struggle to afford to rent or to buy a home.

“We have an excellent track record of delivery, and by bringing together the skills and investment of Sovereign, Liverty and Homes England, and working alongside our local authority partners, we’ll be able to build even more homes, more quickly than we could apart.

“Importantly, building the homes ourselves through land-led opportunities, rather than relying on Section 106 agreements, significantly increases the volume of new homes being delivered. We’ll also be supporting other regional associations to access capital grant, again accelerating additional growth and delivery even further.”

David Montague, Chief Executive of L&Q, said:

“We are delighted to have agreed this landmark strategic partnership with Homes England. L&Q is already committed to building 100,000 quality new homes over the next decade, but we are always seeking new ways of working and new partnerships that will enable us to do more.

“Housing associations like L&Q are innovative, ambitious and uniquely positioned to respond to the housing crisis. Homes England has shown that it is ready to support us with investment and partnership working.

“Today is the beginning of a cornerstone relationship that will enable us to deliver more genuinely affordable homes where they are needed, and explore Modern Methods of Construction that will allow us to achieve a step-change in production without compromising on quality.”