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News story

Long-term plan for housing

The Prime Minister and Secretary of State for Levelling Up, Housing and Communities have set out further plans for regeneration, inner-city densification and housing delivery across England, with transformational plans to supply beautiful, safe, decent homes in places with high-growth potential in partnership with local communities.

From:

Department for Levelling Up, Housing and Communities

(/government/organisations/department-for-levelling-up-housing-and-communities), Prime Minister's Office, 10 Downing Street (/government/organisations/prime-ministers-office-10-downing-street), and The Rt Hon Michael Gove MP (/government/people/michael-gove)

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- Today (24 July 2023), as part of a long-term plan for housing, the Prime Minister and Secretary of State for Levelling Up, Housing and Communities have committed to a new era of regeneration, inner-city densification and housing delivery across England, with transformational plans to supply beautiful, safe, decent homes in places with high-growth potential in partnership with local communities.
- Building on work already underway to meet our commitment in the Levelling Up
 White Paper to regenerate 20 of our towns and cities, the Levelling Up Secretary
 has announced the regeneration and renaissance of a further 3 English cities,
 committing to transformational change in Cambridge, central London and central
 Leeds.
- This follows work to level up towns and cities across the country including in Sheffield and Wolverhampton. The Levelling Up Secretary also outlined plans to continue working closely with local partners in Barrow, to help make Barrow a new powerhouse of the North.
- £800 million will also be allocated today from the £1.5 billion Brownfield, Infrastructure and Land fund to unlock up to 56,000 new homes on brownfield sites, taking an infrastructure first approach to build up our cities. We are funding Homes England with £550 million, which with income generated will mean a total investment of £1 billion. We are also providing landmark investments of £150 million to Greater Manchester and £100 million to the West Midlands.
- Additional reforms to the planning system will speed up new developments, put power in the hands of local communities to build their own homes, and unlock planning decisions – with a new fund of £24 million to scale up local planning

capacity, and an additional £13.5 million to stand up a new "super-squad" of experts to support large scale development projects.

Regeneration of 20 places

Following the commitment in the Levelling Up White Paper to regenerate 20 places, the Levelling Up Secretary and Prime Minister set out further plans today on Cambridge, and inner-city London and central Leeds.

Proposals will see Cambridge supercharged as Europe's science capital, addressing constraints that have left the city with some of the most expensive property markets outside London, and companies fighting over extremely limited lab space and commercial property with prices that rival London, Paris and Amsterdam.

These ambitious plans to support Cambridge include a vision for a new quarter of well-designed, sustainable and beautiful neighbourhoods for people to live in, work and study. A quarter with space for cutting-edge laboratories, commercial developments fully adapted to climate change and that is green, with life science facilities encircled by country parkland and woodland accessible to all who live in Cambridge.

Any development of this scale will have substantial infrastructure requirements. The government will deliver as much of the infrastructure and affordable housing as possible using land value capture – with the local area benefiting from the significant increase in land values that can occur when agricultural land is permitted for residential and commercial development. Land values will reflect the substantial contributions required to unlock the development (see annex).

A Cambridge Delivery Group, chaired by Peter Freeman and backed by £5 million, will be established to begin driving forward this project. The Group will work to turn this vision into a reality, taking a lead on identifying the housing, infrastructure, services and green space required. It will also consider options for an appropriate delivery mechanism that will be needed to lead the long-term work on planning, land acquisition and engagement with developers, starting in this Parliament but running through the next few years as development takes shape.

In the meantime, the Delivery Group will take forward immediate action to address barriers such as water scarcity across the city, including:

- Convening a Water Scarcity Working Group with the Environment Agency,
 Ofwat, central and local government and innovators across industries to identify
 and accelerate plans to address water constraints. The Group will include all
 relevant partners to understand what it would take to accelerate building the
 proposed new Fens Reservoir and enabling Cambridge to reach its economic
 potential.
- Supporting the council in efforts to make sure new developments proposed as part of the local plan can be as sustainable as possible, including whether new houses in planned developments such as Waterbeach and Hartree can be made

more water efficient. To support this, the government is announcing today a £3 million funding pot to help support measures to improve the water efficiency of existing homes and commercial property across Cambridge, to help offset demands created by new developments in the local plan.

The government will also take definitive action to unblock development where it
has stalled, providing £500,000 of funding to assist with planning capacity.
Cambridge City Council, Anglian Water, Land Securities PLC and Homes
England will work together to accelerate the relocation of water treatment works
in Northeast Cambridge (subject to planning permission), unlocking an entire
new City quarter – delivering approaching 6,000 sustainable well-designed
homes in thriving neighbourhoods – as well as schools, parks and over 1 million
square feet of much needed commercial life science research space.

In addition to Cambridge, today the government has also announced:

- A 'Docklands 2.0' vision in East London for up to 65,000 homes across multiple sites of significant scale including at Thamesmead, Beckton and Silvertown. Beautiful, well-connected homes and new landscaped parkland will be integral to the vision. We will look at how we can ensure better transport connections from east to west, to 'crowd in' local and private investment, and to build the best evidence on how and whether HMG will invest in the future.
- London will also see the benefits of this government's decision to allow the Affordable Homes Programme to be directed towards regeneration for the first time with up to £1 billion available in London alone as part of a transformative reform that will change how we level up communities across the country. We have also made £1 million available to push forward work with the Mayor to consider how we drive housing delivery in London, including looking at innovative new ways that industrial land can be released for housing.
- A commitment to work with local partners in central Leeds, to regenerate the city centre and explore how a West Yorkshire mass transit system could open up the city to many more workers across the city's burgeoning financial, digital and legal sectors. This builds on the £40 million that is already being provided by the government to West Yorkshire Combined Authority to support development of the mass transit system and offer a greener, quicker and more reliable option of travel. The government will accelerate work in the centre of Leeds by identifying the remaining barriers to delivery for key housing growth sites within the city rim, including the South Bank, Innovation Arc, and local and neighbourhood plans, potentially delivering up to 20,000 new homes on these sites over the next decade. The government will also work with local authorities to adapt existing HS2 land safeguarded in Leeds City Centre where appropriate, supporting economic growth and housing delivery. Additional revenue funding will be provided to support capacity and development to deliver these ambitions.
- Plans to continue working closely with local partners in Barrow-in-Furness, to help make it a new powerhouse of the North – extending beyond its current boundaries with thousands of new homes and space for new businesses to benefit from the scientific and technical expertise already clustered there.
- We are also investing £800 million from the £1.5 billion Brownfield, Infrastructure and Land fund to unlock up to 56,000 new homes across England, to transform

disused site and create vibrant communities for people to live and work, while also protecting our cherished green spaces, including further accelerating activity in areas such as Sheffield. We are funding Homes England with £550 million which, in real terms, will be an investment of up to £1 billion through the reinvestment of receipts back into the fund. As set out previously, we are also providing £250 million to Greater Manchester and West Midlands Combined Authorities.

Building up and building out across the country

In addition to targeted action in a few high-potential areas, the government's plan delivers a package of reforms to unleash building on underused sites in high-demand regions. Densification, done the right way, will transform the opportunities available to people across the country – our inner cities have much lower population densities than comparable Western countries, impacting our productivity. The plan therefore includes:

- Launching a consultation on new Permitted Development Rights, to provide more certainty over some types of development, and how design codes might apply to certain rights to protect local character and give developers greater confidence. New and amended permitted development rights would make it easier to convert larger department stores, space above shops and office space. The plan also backs rural communities, with changes to support farm diversification and development, to allow businesses to extend and more outdoor markets to be held. The government will consult on further measures in the Autumn on how to better support existing homeowners to extend their homes. The government will continue to ensure that local removal of permitted development rights through Article 4 Directions will only be agreed where there is evidence of wholly unacceptable impacts.
- Taking steps to unblock the bottlenecks in the planning system that are choking and slowing down development, and stopping growth and investment by:
 - Launching a new £24 million Planning Skills Delivery Fund to clear planning backlogs and get the right skills in place.
 - Establishing a new "super-squad" team of leading planners and other experts
 charged with working across the planning system to unblock major housing
 developments, underpinned by £13.5 million in funding. The team will first be
 deployed in Cambridge to boost our plans in the city, before also looking at
 sites across our eight Investment Zones in England, to provide high-quality
 homes to go alongside the high-quality jobs being created there.
 - Increasing the amount developers pay in planning fees, following our recent consultation, to ensure all planning departments are better resourced.

The government's commitment to development and regeneration in and around existing town and city centres is also guiding its consideration of responses to the consultation on updating the National Planning Policy Framework. The government wants to make it easier to progress such developments, and to that end is clear that:

- Development should proceed on sites that are adopted in a local plan with full input from the local community, unless there are strong reasons why it cannot.
- Local councils should be open and pragmatic in agreeing changes to developments where conditions mean that the original plan may no longer be viable, rather than losing the development wholesale or seeing development mothballed.
- Better use should be made of small pockets of brownfield land by being more permissive, so more homes can be built more quickly, where and how it makes sense, giving more confidence and certainty to SME builders.

Later in the year, the government will pass the Levelling Up and Regeneration Bill to put in place our reforms to the planning system that will create more beautiful and sustainable homes in the right places, and publish updates to the National Planning Policy Framework.

Communities taking back control / building beautiful everywhere

To deliver housing anywhere, all new homes built will need to be accepted by the community – they will need to be beautiful, well-connected, designed with local people in mind and be accompanied by the right community infrastructure and green space. Communities must have a say in how and where homes are built.

In this plan, communities will be supported to be at the heart of new development in their areas. This will be achieved by:

- Establishing the Office for Place in Stoke-on-Trent, a new body to lead a design revolution, ensuring beautiful new homes are built according to a simple design code supported by local people. The Office for Place will support residents to demand what they find beautiful from developers – ensuring every local place is built to reflect the individual local character and beauty of every community across the country. Nicholas Boys Smith has been appointed as the interim chair.
- Supporting councils to deliver high quality up to date local plans, launching a
 consultation to seek views on our proposals to simplify the system of developing
 a new plan. Local plans are the best way to ensure the right homes are built in
 the right places, so the government will work with councils to reduce the cost
 and bureaucracy associated with getting an updated plan in place. The
 government is also clear that local authorities should continue to develop their
 local plans, ensuring local people get their say.

Building safely

In all buildings, the first priority must be keeping people safe. Through the landmark Building Safety Act 2022, the government has overhauled the way we do so with a "golden thread" of accountability and protections for leaseholders from the ruinous costs of fixing the mistakes of others.

The government will not be complacent in its approach to safety – recognising that, as work progresses to densify our towns and cities, people must be given unimpeachable confidence that new homes are safe and decent to live in. This long-term plan for housing therefore builds on our existing progress by:

- Confirming the intention to mandate second staircases in new residential buildings above 18m, following confirmation from expert bodies that they support this threshold. This responds to the call from the sector for coherence and certainty. This is a considered and gradual evolution of safety standards, which, when taken with our other fire safety measures and reforms ensures the safety of people in all tall buildings both new and existing. The government is clear that this new regulation cannot jeopardise the supply of homes by disrupting schemes that have been planned for years. DLUHC will work rapidly with industry and regulators over the summer to design transitional arrangements with the aim of securing the viability of projects which are already underway, avoiding delays where there are other more appropriate mitigations.
- Opening the Cladding Safety Scheme to all eligible buildings, ensuring that no leaseholder will be out of pocket to fix dangerous cladding in medium or highrise buildings.

Annex

The development of a new quarter in Cambridge will have substantial infrastructure requirements, including water, power, transport, affordable housing, environmental and social infrastructure. Permitting such a development will also result in substantial increases in land values above the existing use value of the land.

Government viability guidance sets out that when undertaking a viability appraisal, the value allowed for the purchase of land should in general be based on the value of the land in its existing use, plus an appropriate premium for the landowner. The government intends to explore recommendations about what a reasonable premium to agricultural landowners should be.

Building on this approach, the government intends that a consultation will be undertaken to inform the policy on a reasonable premium for landowners above existing use value, to support the development of plans for the new quarter. To the extent that infrastructure and affordable housing need justifies this position, the government anticipates that policy will be set to capture land value uplift above the premium. This will enable landowners to receive fair compensation for their land while minimising the public sector investment required to bring the development forward.

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