



Department for
Communities and
Local Government

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Our Ref:2897126

Dear Tom,

19 DEC 2016

Thank you for your letter of 15 November, on behalf of your constituents Nicholas Heslop and cabinet member Sophie Shrubsole of Tonbridge & Malling Borough Council. In their letter, Mr Heslop and Ms Shrubsole outlined a number of challenges which they face in delivering more homes. The Government is taking a number of steps to support local councils in addressing these challenges and we will follow up with a further comprehensive package of reforms to boost housing supply in our Housing White Paper.

Starter Homes

A consultation has been carried out on national planning policy proposals to broaden the definition of affordable housing to include a wider range of low cost homes, including starter homes, so that it encompasses a fuller range of products that can support people to access home ownership. We consulted separately on the starter homes requirement for suitable housing sites for the regulations under the Housing and Planning Act 2016. We have been considering the responses, including the representation from Tonbridge and Malling Borough Council, and will set out our intentions in due course. We expect Councils to continue to deliver a range of housing tenures on sites, taking into account starter homes and the overall site viability. We intend to issue planning practice guidance on starter homes and Local Plan-making once the regulations have been implemented.

Affordable Homes

At the Autumn Statement, we announced a further £1.4 billion to deliver a range of affordable housing tenures – including affordable homes for rent and shared ownership. This now brings the Government's total investment to £9.4 billion to deliver over 400,000 affordable housing starts by 2020/21. The expanded programme will be open to new bids early in the new-year through continuous market engagement and we have relaxed our grant restrictions so that providers can bid to build different housing tenures to address different local housing needs.

Private Rented Sector

The National Planning Policy Framework and associated guidance encourage local authorities to identify the need for new purpose-built rented accommodation in their areas, and make it clear that they should set Section 106 and CIL requirements at a level consistent with supporting viability. The Government is actively supporting a bigger and better private rented sector, as an enduring component of the housing market. We have been instrumental

in helping the purpose-built private rented sector develop, through our financial programmes and wider policy support. In November, the first bond was issued under the Government's £3.5 billion Private Rented Sector Guarantee scheme.

Diversifying the housing market

We have taken further measures to boost supply with our recent announcement of a £3 billion Home Building Fund, a fund which will provide loans for SME builders, custom builders and offsite construction, and which will unlock large sites throughout England. This fund will bring a long-term pipeline of new homes being started, helping us build more than 200,000 new homes, and will create thousands of jobs up and down the country. It will help us get more SMEs building, encourage custom builders, and allow developers to build the infrastructure needed to support new housing. We will also speed up construction of homes through our 'accelerated construction' approach. We have committed £1.7 billion of investment to encourage new developers and different models of construction to build at up to double the rate of traditional house builders.

Homelessness

We appreciate the burdens placed on local authorities by the impact of homelessness. We are addressing this with over £500 million to tackle homelessness over the next four years. This includes £100 million to deliver at least 2,000 move-on accommodation places, such as for those leaving hostels or women's refuges. We have also launched our £40 million Homelessness Prevention Programme. This includes £20 million to establish a network of ambitious Homelessness Prevention Trailblazer areas, who will work with more people earlier, to prevent them from facing a homelessness crisis.

Stamp Duty

Since 1 April 2016 higher rates of SDLT have been charged on purchases of additional residential properties, such as second homes and buy-to-let properties. The higher rates are 3 percentage points above the standard SDLT rates. It is right that people should be free to purchase a second home or invest in a buy-to-let property. However, the Government is aware that this can impact on other people's ability to get on to the property ladder. This policy is not expected to have an effect on rent levels and it is worth noting that SDLT is only paid once, when the property is purchased. The Government's view is that the overall effect of the higher rates of SDLT on housing supply is not material and housing developments will remain attractive for corporate investors as well as potential home owners. The Government consulted on the changes to SDLT to ensure that they were implemented in a fair way.

The Government is clear that building more homes is central to its vision of a country that works for everyone and remains committed to delivering a million more homes by 2020. We will set out further proposals in our Housing White Paper. I would like to thank your constituents for their serious and considered contribution on a number of policy issues.

Yours sincerely
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GAVIN BARWELL MP