



Homes &
Communities
Agency

Large sites and Housing Zones Capacity Fund

Guidance for local authorities



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Introduction

The government is firmly committed to its ambition to deliver one million homes by December 2020. To assist in delivering this, up to £18m resource funding is available in 2016 to 2017 to develop/build capacity in local authorities and to extend the capacity within the Homes and Communities Agency (HCA), through external resources to support the delivery of large and complex sites. This funding is aimed at existing government initiatives/programmes in priority order:

1. Housing Zones and Large Sites*, where capacity funding will unlock housing before 2021;
2. Housing Zones and Large Sites, where capacity funding will unlock housing before 2026;
3. Sites, or collections of sites below 1,500 units, where capacity funding will unlock housing before 2021; or
4. Sites or collections of sites, below 1,500 units where capacity funding will unlock housing before 2026.

*A Large Site is defined as delivering more than 1,500 units. Housing Zones must be designated to be eligible, and **outside of London**. Some large sites are part of Housing Zones.

Government recognises the significant contribution large sites and housing zones make to the provision of future housing and new communities. Large sites/Housing Zones are a focus for government support but are complex, often requiring significant local-coordination to progress from planning to delivery. Starter Homes schemes that are being delivered within Large Sites and Housing Zones should be considered a priority 1 or 2 project where they meet the appropriate delivery timescales.

The delivery of improvements to public and social infrastructure will usually be required and local capacity to design, manage and implement these improvements can be a barrier. This funding can be used to tackle these barriers, including:

- funding to create additional capacity in local authorities to manage applications for large developments
- access to expert planning and technical support and advice to help schemes progress from conception through to planning consent
- supporting the development of housing zone bids submitted to DCLG for approval;
- through Planning Performance Agreements, resources will be made available to local planning authorities to assist them with reviewing and determining large scale public sector sites that are capable of delivering new homes
- brokerage support is also available from central government to help resolve barriers that are preventing schemes from moving forward

Separate funding is available to support the development and delivery of proposals for Garden Villages. Bids which do not received funding under the Garden Villages programme can be considered for funding under this fund.

What resources are available?

Support can be provided in the form of grant funding to local authorities, and HCA managed consultancy support as set out below with an expectation that every endeavour will be made to utilise the funding in 2016/17 as far as is possible. It is envisaged that a level of matching support/contribution (either in terms of funding or staff resources) will be provided by local authorities in receipt of this funding.

Grant Funding

Funding can be provided to local authorities to procure consultancy support, including via the HCA panels, to assist with key pieces of work such as: site investigations; market testing/studies; master planning; and work to support achieving planning certainty, viability appraisals, etc.

The funding can also be used to establish and/or support a bespoke Local Authority led local delivery team which has a clear and singular purpose to accelerate delivery of key projects that result in new homes. The HCA will work with Local Partnerships and/or other appropriate consultancies and the local area to help identify the type and scale of team that would be most effective.

HCA managed consultancy support

The HCA's specialist team Advisory Team for Large Applications (ATLAS) can offer local authorities advice on a broad range of issues relating to the delivery of large housing projects and aim to provide a service which will build capacity and improve relationships. It assists local stakeholders to deliver on their ambitions. The services can range from general project management advice, advice on the planning process, dealing with technical planning and related topics and addressing project issues. Where necessary, ATLAS will procure specialist advice utilising consultancy support.

The funding cannot be used for:

- any capital works, legal fees or estate management/holding costs

How is the fund accessed?

The funding will be made available through a short bidding process. **Local authorities should be made aware of the short time period for submitting bids of four weeks with completed bids to be submitted to the e-mail address below by Friday 9 December 2016**, as this fund is aimed at live, known sites, where information is readily available. Funding will be paid as s31 grant under the Local Government Act 2003.

HCA managed consultancy support will be procured and paid for directly by HCA.

Who do I contact for more information?

Please contact your local HCA office. All offices can be reached on the main enquiries number 0300 1234 500 or by email mail@homesandcommunities.co.uk.

Our enquiries line is open weekdays from 9am to 5pm. Further details can be found on our [website](#).

All completed bids should be submitted by Friday 9 December 2016 to: capacityfund@hca.gsi.gov.uk.

Bid assessment

Bids will be assessed against the following initiatives/programmes:

1. Housing Zones and Large Sites, where capacity funding will unlock housing before 2021;
2. Housing Zones and Large Sites, where capacity funding will unlock housing before 2026;
3. Sites, or collections of sites below 1,500 units, where capacity funding will unlock housing before 2021; or
4. Sites or collections of sites, below 1,500 units where capacity funding will unlock housing before 2026.

In addition, bids will be considered against the following criteria:

Deliverability:

- number of units being delivered against the above criteria
- development programme and underlying assumptions
- description of key risks (including wider site constraints)/how they will be mitigated through this funding?

Viability:

- evidence that funding is in place, or has been identified, for the site(s)

VFM:

- level of match funding/resource from local authority/other sources?
- estimated cost per unit?

Strategic:

- strength of council support
- evidence of strong local housing market
- areas of high objectively assessed need and low delivery numbers.

Enabling and development support submission

Please read the supporting guidance note before completing this application which will explain support options and key considerations.

The HCA may contact you following your submission to further understand the scope and support requested in your application. Applications should be sent to capacityfund@hca.gsi.gov.uk

1. Applicant Details	
Name of Organisation	Surrey Heath Borough Council
Contact First Name	Jenny
Contact Surname	Rickard
Contact Position	Executive Head of Regulatory
Contact Email Address	jenny.rickard@surreyheath.gov.uk
Contact Telephone Number	01276 707510

2. Required Support	
Please select which support options are being requested	
ATLAS	<input type="checkbox"/>
Grant Funding (Consultancy)	<input type="checkbox"/>
Grant Funding (Delivery Team)	<input checked="" type="checkbox"/>
1. Housing Zones and Large Sites*, where capacity funding will unlock housing before 2021;	<input type="checkbox"/>
2. Housing Zones and Large Sites, where capacity funding will unlock housing before 2026;	<input type="checkbox"/>
3. Sites, or collections of sites below 1,500 units, where capacity funding will unlock housing before 2021; or	<input checked="" type="checkbox"/>
4. Sites or collections of sites, below 1,500 units where capacity funding will unlock housing before 2026.	<input checked="" type="checkbox"/>

Please detail what the support will be used for, including:

- amount of funding requested and what it will be used for and by when (please provide a breakdown against strategic overarching Housing Zone and/or site specific work, including details of any delivery team posts)
- reason why the capacity funding cannot be met locally
- evidence of local support and demand
- evidence that capital funding is in place, or identified for the site(s)
- development programme and underlying assumptions
- key risks that the funding will mitigate

Surrey Heath Borough Council is seeking £250,000 grant funding to support the delivery of the two projects outlined below. That is the development of Deepcut Barracks and the development of sites within Camberley Town Centre. The funding will help establish a bespoke local authority led local delivery team to accelerate delivery of these key projects which will help to deliver circa 1,700-2,000 new homes.

The Borough Council is not in a position to provide this capacity funding itself due to constraints on funding. It is looking at how staff restructuring and funding from developers could address some of the shortfall in resources needed to take forward these current projects. Nevertheless these alone will not be sufficient and now the Council is seeking capacity funding to move forward.

In terms of land availability for the delivery of housing, Surrey Heath is a very constrained borough due to the Thames Basin Heaths Special Protection Area, operational MOD land and the Green Belt. The delivery of these projects will help meet the Council's objectively assessed housing need, identified in 2014 as 340 dwelling per annum including affordable housing and starter homes. Currently the Council can only demonstrate a 3.5 year housing land supply and is only delivering circa 200 dwellings per annum.

Failure to deliver development from these identified sites will severely impact on the provision of future housing and new communities within Surrey Heath.

Deepcut Barracks

This MOD site was declared surplus with the barracks due to be unoccupied by 2013. The site is the strategic housing site in Surrey Heath and has been identified in the Core Strategy for the delivery of **1,200 homes** and associated infrastructure. A Masterplan Supplementary Planning Document was produced with intensive community involvement and has local support. Planning permission was granted in 2013 and viability assessments have been undertaken to show that there are no barriers to delivery. The most recent viability assessment in 2016 shows that in normal market conditions the site could deliver a profit of between £37- £46 million pounds. This shows that capital funding will not be an issue for developers bringing this site forward.

Despite this, the site has yet to deliver any residential development and

capacity funding is therefore sought to accelerate and commence delivery of this site. Recent informal discussions with agents acting for MOD/Skanska indicate that the MOD may consider shelving the site due to delays in delivering Worthy Down. The Council consider this is unacceptable due to the commitment to deliver this site as a new community in Deepcut. It would mean that the Council could not deliver the housing required in the borough and would be at risk of planning by appeal. Capacity funding would help mitigate this key risk by providing support to deliver sites and providing more resource to work with developers to ensure schemes are acceptable.

Camberley Town Centre sites.

The regeneration of Camberley Town Centre is the number one priority for the Borough and the Council has recently invested, through prudential borrowing, over £100 million in the town centre. Camberley has been recognised as a step up town by the Enterprise M3 LEP. A major part of this regeneration is the delivery **of circa 800-1000** new homes, including affordable and starter homes, within the town centre by the re-development of brownfield sites identified in the Camberley Town Centre Area Action Plan.

These sites are a mix of privately owned and publicly owned sites and would help deliver the government agenda of the re-use of publicly owned land and brownfield land for housing. Having regard to the Council's investment in the town centre and the viability of these sites, capital funding for re-development of these sites would be in place. Infrastructure requirements from these sites are covered by the Council's adopted Community Infrastructure Levy (CIL).

As indicated above delivery of these sites would help deliver the Council's identified objectively assessed housing need.

Capacity funding to help fund a local delivery team would help ensure the accelerated delivery of these sites by ensuring a co-ordinated approach to their delivery. Capacity funding of a local delivery team would help mitigate risk of these sites not coming forward in a timely manner.

The sites identified in the Area Action Plan include;

- London Road Block (part publicly owned) - mixed use to deliver circa 200-400 dwellings;
- Land east of Knoll Road-(publicly owned) delivery of circa 200 dwellings;
- Ashwood House (publicly owned) circa 200 dwellings; and,
- Rail Station (Network Rail) circa 150-200 dwellings.

A number of smaller sites have also been identified which in total could deliver circa 100 dwellings.

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ATLAS Support Requirements	
Project Management	No
Infrastructure Planning & Delivery	No
Transport & Movement	No
Masterplanning & Design	No
Environmental Sustainability	No
Social Infrastructure	No
Viability, Deliverability & S106 negotiations	No
Engaging with the Local Community & members	No
Engaging with External bodies e.g. statutory agencies	No
Any other support Requirements	No
Please specify:	

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Please detail any similar funding previously awarded, describe how this was used, and how it supported the delivery of homes.

The Council has recently been awarded funding of £360,000 (£180,000 for each year) from the One Public Estate programme in respect of trying to release MOD land within the borough. If this land is released it could lead to the delivery of circa 3,000 new homes in the borough.

However this bid for capacity funding is to help bring forward sites that are already identified but are proving difficult to deliver or need significant early input from the Local Planning Authority to support their delivery.

A Garden Village bid for a site incorporating previously developed land in the Green Belt has also been submitted. Whilst the outcome of the bid is still awaited it may be considered that the site is too early in the planning process in respect of the first round of bids. If this is the case then the Council would also like to seek capacity funding to undertake intensive community engagement to help produce a masterplan for the site. Capacity funding could help the locally led delivery team undertake this process.

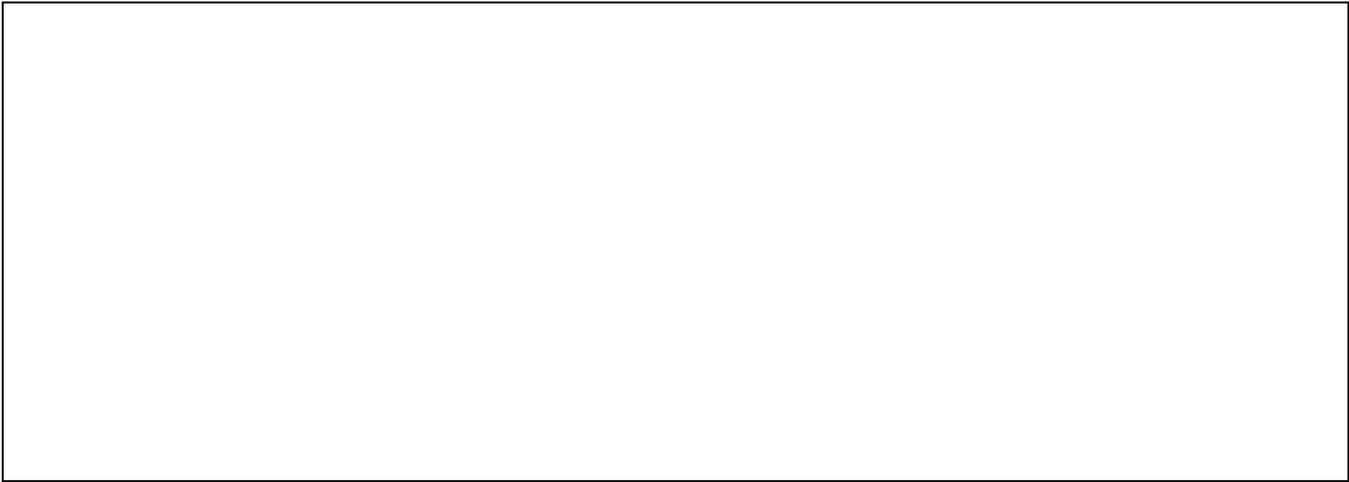
Please detail any match funding being provided:

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The Council, through prudential borrowing has, or is acquiring, some of the sites identified in the Area Action Plan as set out above. In addition match funding for a salaried Planner/ Regeneration Officer would be provided.

3. Site Details

Name of Site	Deepcut and Camberley Town Centre			
Number of units	Circa 2,000 units			
Local authority name	Surrey Heath Borough Council			
Brownfield/greenfield	Brownfield			
Site planning status	Planning Permission or identified in a Local Plan/ Area Action Plan			
Developer/promoter	MOD, Surrey Heath Borough Council, Private developers			
	16/17 - 20/21	21/22 - 25/26	Future Years	Total
Housing Completions without capacity funding	1148	496		1644
Housing Completions with capacity funding	2023	1619		3642



4. Brokerage

Please provide details of any brokerage assistance required from government, setting out the issues where assistance is required and the outcomes you hope to achieve.

We would welcome brokerage assistance from government in respect of the MOD Deepcut site to ensure that the site is vacant so that the delivery of the approved 1,200 homes can commence and homes and a new community are delivered.

