

HOUSING ZONES

Supplementary information

For more detailed information regarding Housing Zones please refer to the [prospectus](#) .

What are Housing Zones?

Housing Zones will be areas where we can speed up and simplify the process of house building on brownfield sites through locally led partnerships with a range of support measures including recoverable investment funding provided through the Homes and Communities Agency.

How are government supporting Housing Zones?

The prospectus sets out how local authorities and developer partners can work together to bring forward proposals to bid for Housing Zones Status, including £200 million of recoverable investment funding, access to cheaper Local Authority borrowing, support from ATLAS and Government to overcome barriers and priority access to the Local Development Order Capacity Fund.

Can local authorities receive Housing Zone funding?

Funding is in the form of recoverable investment so can only be allocated to private sector partners. Financial support is available to local authorities who submit successful proposals for Housing Zones in the form of access to cheaper borrowing at the Public Works Loan Board's project rate for capital infrastructure expenditure relating to the Zone in 2014 to15 and 2015 to16.

What benefits do local authorities get from having a Housing Zone?

The creation of Housing Zones offer local authorities a chance to unlock development on brownfield land. Local authorities who submit successful proposals for Housing Zones will also have access to cheaper borrowing at the Public Works Loan Board's project rate for capital infrastructure expenditure relating to the Zone in 2014 to15 and 2015 to16.

Why will London Housing Zones receive grant when the rest of the country won't?

Decisions on how best to fund new housing in London are managed by the Greater London Authority. Government will provide an additional £200 million of loan funding to London so that this can work alongside grant to create more Housing Zones in London.

What do you mean by 'kick-starting development'?

Development of some brownfield sites may have been stalled or not be possible because finance is unavailable. Providing recoverable loans for upfront costs around infrastructure and land assembly can remove that blockage and get things moving quickly on the ground.

What do you mean by repayable loans?

Quite simply that these are loans and we expect to get our money back with an appropriate rate of interest.

Why does Government think it is going to get its money back when commercial lenders won't lend?

We expect to recover the loans we make and investment decisions will follow a process of due diligence. Our experience with the Local Infrastructure Fund shows that there's a need for Government intervention in this way, i.e. to provide longer term development finance.

How long will it take for the Government to get its money back?

We recognise that development on brownfield sites takes time and that the loans we make should be flexible enough to reflect that. Terms will be determined on a case by case basis.

Why is there no capital grant available outside London?

We think that there are a number of fundamentally viable schemes on brownfield land that need loan finance to unblock cashflow constraints but don't need grant to move forwards.

How many Housing Zones do you plan to support?

Outside of London we expect to support the creation of at least 10 new Housing Zones with at least 750 homes per zone. In exceptional circumstances which must be clearly justified proposals for zones delivering less than 750 homes may be considered.

What will the mix of private and affordable homes be in Housing Zones?

The mix of private and affordable homes will be for local authorities and developers to decide according to local policy.

How do I submit a bid?

Local authorities are invited to submit expressions of interest requesting that an area is designated as a Housing Zone, highlighting the support required to facilitate delivery. This can include a bid for investment funding where a private sector development partner is on board, and the funding is required to enable housing schemes to be unlocked or accelerated. Expressions of interest should be made via the [HCA's Partner Portal](#). Full guidance can be found [here](#).

We have a site where funding isn't needed to bring forward development. Can it still be a Housing Zone?

Yes. We welcome expressions of interest for designation as a Housing Zone only when the local authority can confirm that development can be delivered without government investment, and can demonstrate how the wider package of support can support accelerated delivery.

What are the next steps?

Bids should be submitted by 3 October 2014 using the online expression of interest form available through the Homes and Communities Agency Partner Portal

What is happening in London?

We have provided £200 million of funding in London to match-fund grant from the GLA. DCLG funding will create at least an additional 10 Housing Zones to double the amount the GLA expect to create. The London bidding prospectus was published on 13 June.

How do Housing Zones link in with requirement for local authorities to put Local Development Orders on over 90% of suitable brownfield sites by 2020?

We would expect every Housing Zone to have planning simplification at its heart to ensure rapid delivery of new homes. Where there are not planning permissions already in place or being worked on we look to the local planning authority to be bringing forward an Local Development Order.

Local authorities putting forward proposals for Housing Zones also have the opportunity to put forward a bid for the £5 million Local Development Order incentive fund, and will be given priority where Housing Zone status is approved.

Will bids need to be supported by local authorities?

Yes. Local authorities will need to propose a Housing Zone and work with developers to create the right conditions for unlocking development, for example through planning simplification.

How can we show that a site within our Housing Zone bid has local support?

Local support for development of a site can be demonstrated through designation in a local plan or other valid planning document.