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HM Treasury contacts

This document can be found on the Treasury website at:

hm-treasury.gov.uk

For general enquiries about HM Treasury and its work, contact:

Correspondence and Enquiry Unit
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Tel: 020 7270 4558
Fax: 020 7270 4861
E-mail: public.enquiries@hm-treasury.gov.uk

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VISION

1.1 Increasing the supply of homes is a key priority for the Government. Through the latter part of the 20th century, a growing population coupled with an increasing tendency for people to live alone has resulted in continually rising demand for homes, but the supply of new housing fell dramatically over the same period. This gap between supply and demand has resulted in problems of housing affordability, with rising house prices creating particular pressure for first-time buyers. Kate Barker's 2004 review of housing supply[1] set out clearly the threat to the UK's future social and economic success from weak and unresponsive housing supply. The review concluded that a more responsive housing supply and a lower trend in house prices would be necessary to deliver greater macroeconomic stability and greater affordability.

1.2 There has been good progress in increasing housing supply in recent years – delivery has increased from a low of around 130,000 net additional homes in 2001-02 to over 185,000 in 2005-06, but there is an urgent need to go further and build more homes for this, and future, generations. Household growth is expected to continue with the latest (2004-based) household projections showing that the number of households is expected to grow by an average of 223,000 per annum to 2029. Therefore the Government has set an ambition to increase housing supply to at least 240,000 additional homes per year by 2016 and deliver 3 million additional homes in total by 2020.

1.3 More housing is needed, but it must be well designed and built in a properly planned strategic way, contributing to the Government's sustainable development objectives of creating mixed sustainable communities and of protecting, and wherever possible enhancing, the natural and global environment. As a result the Government has committed to improve the energy performance and carbon footprint of new homes by 25 per cent by 2010 and 44 per cent by 2013 (compared with 2006 building regulations), moving to zero carbon by 2016.

1.4 Therefore, the Government's vision is that by March 2011:

- there will be an increase in housing supply in England across all tenures, including increased provision of social rented and other affordable homes as well as market housing, representing good progress towards meeting the government's ambition of at least 240,000 net additional homes per year by 2016;
- new development will be planned and built more sustainably (balancing the environmental, social and economic needs of future generations), and in particular, new homes will have a carbon footprint in line with the trajectory towards the Government's commitment to zero carbon housing by 2016;
- Regional Spatial Strategies (RSSs) will have been revised, in whole or in part, to reflect plans for 240,000 homes a year by 2016. This will also enable proposals for new eco-towns and additional Growth Points to be properly assessed within the planning system;
- Local Planning Authorities will have adopted the necessary Development Plan Documents in line with RSSs and the Government's ambition,

[1] *Delivering Stability: Securing our future housing needs*, HM Treasury, March 2004.

providing the appropriate planning framework for creating mixed and sustainable communities, including well-designed, high quality housing supply and supporting infrastructure; and

- increased supply of affordable housing and investment in prevention of homelessness will be reflected in a halving in the number of households living in temporary accommodation, compared to 2004.

2 MEASUREMENT

2.1 The Government will measure progress towards these aims through the following indicators.

Indicator 1: Number of net additional homes provided.

Indicator 2: Trends in affordability: This will be measured using the ratio of lower quartile house prices to lower quartile earnings

- Kate Barker argued in 2004 review of housing supply[1] that an increase in housing supply would be necessary to improve affordability and deliver greater macroeconomic stability. The Government has set a national target to increase housing supply to 240,000 net additional homes per annum by 2016.

Indicator 3: Number of affordable homes delivered (gross).

- As well as increasing the supply of market housing, the Government is committed to increasing the supply of affordable housing including social housing. The Government has a national target of delivering 70,000 affordable homes in 2010-11 including 45,000 social homes.

Indicator 4: Number of households in temporary accommodation.

- The Housing Act (1996) places statutory duties on local housing authorities to provide assistance to people who are homeless or threatened with homelessness. The Government has set a national target to halve the number of households in temporary accommodation to 50,500 households by 2010.

Indicator 5: Average Energy Efficiency Rating for new homes (SAP).

- The Government is committed to ensuring that the proposed increase in housing supply is sustainable, and has set an ambition that all new homes are zero carbon by 2016.

Indicator 6: Local planning authorities to have adopted the necessary Development Plan Documents, in accordance with their Local Development Schemes, to bring forward developable land for housing in line with PPS 3.

To deliver the Government's housing growth target it is vital that enough land is brought forward for development and that local spatial plans are in place so that planning applications can be dealt with efficiently and effectively. This indicator has a national target for 2011.

[1] *Delivering Stability: Securing our future housing needs,* HM Treasury, March 2004.

3 DELIVERY STRATEGY

3.1 This PSA aims to increase housing supply across England, to address growing problems of affordability in recent years. The Government is committed to ensuring that that new homes are in sustainable communities – places where people want to live, work and play, and serviced by the full range of infrastructure, services and amenities that communities need – and that the location of new housing supports the Government's objectives for sustainable growth and the effective use of infrastructure capacity. New homes will also be planned around the needs of the environment. Managing flood risk, minimising pressures on water and waste infrastructure, conserving and enhancing greenspace and biodiversity are important concerns, as is design quality, which is vital to the creation of successful and sustainable places. As well as in areas of high growth, such as growth areas and growth points, more homes are needed across the whole country, in both urban and rural areas, to maintain their sustainability.

3.2 It is crucial that all delivery partners, at all levels of the delivery chain, are coordinated and engage proactively to enable this PSA to be delivered. Central government will lead in setting the overall ambition and strategy, and creating the framework to ensure that infrastructure is in place to support growth. At the regional level, regional planning bodies will set out, as part of the Regional Spatial Strategy (RSS) process, the spatial strategy for the region including housing targets for local areas. At the local level, Local Authorities (LAs) will produce Local Development Frameworks which consider the development of their area holistically and in a way that is consistent with the RSS and wider Community Strategy. They also have responsibility for granting planning permission. The development industry also has a vital role to play through ensuring that delivery of new housing increases in line with Government ambition, and that new housing is built to high standards of design and energy efficiency.

3.3 This delivery strategy sets out the key responsibilities of each of the key delivery partners, and how they will work together to deliver the Government's housing growth ambition.

THE ROLE OF CENTRAL GOVERNMENT

Communities and Local Government (CLG) and its delivery agencies

Strategic role

3.4 CLG will continue to set housing and planning policy at a national level through national policy statements, such as the Government's Response to the Barker Review of Housing Supply, the Housing Green Paper and non-statutory codes and directions, working with other government departments as appropriate.

Delivery

3.5 In addition to its strategic role, CLG also has policy responsibility for many of the major programmes vital to delivering the PSA, such as Planning, Building Regulations, affordable and social housing, homelessness prevention and major growth programmes such as the Growth Areas, Growth Points and eco-towns. Using its policy levers in these areas CLG and its agencies will:

- continue to set the national policy direction for local government, and in particular ensure that the new local government performance framework, through Local Area Agreements plays an effective role in driving Local

Authorities' performance in key areas including housing. CLG will work with LAs, through both the Local Government Association (LGA) and individual LAs as appropriate, to ensure they address the housing needs in their area through planning for housing growth, managing land supply, assessing planning applications and development control and delivering on their strategic housing role;

- set the strategic direction for Growth Areas, Growth Points and Eco-towns and support delivery through the provision of funding to support site infrastructure projects and wider community and public realm facilities. CLG will work with places, providing access to expertise on growth issues and helping to resolve problems and overcome barriers to large scale growth through linking places with Government's infrastructure providers and delivery agencies. CLG will provide £1.7 billion of funding for infrastructure in Growth Areas, Growth Points and Eco-towns over the CSR07 period including £300m for the Community Infrastructure Fund to fund transport schemes related to housing growth;
- increase delivery of affordable homes to at least 70,000 per year by 2010–11 including at least 45,000 new social homes, working with the Housing Corporation and others to ensure delivery of larger units where they are most needed and providing guidance to local authorities on a more focused use of social housing;
- produce new policy guidance to ensure LAs and regions undertake sound infrastructure planning when producing their spatial plans, and work with, and support areas, in implementing the new guidance;
- continue wider reform of the planning system to create a more efficient system in line with recommendations set out in the Barker Review of Land Use Planning[1] and the Planning White Paper including continuing to improve LA performance in terms of assessing planning applications;
- ensure regional and local plans are consistent with the objectives set out in Planning Policy Statement 3: Housing (PPS3) to help deliver:
    - better quality housing;
    - a good mix of housing - both market and affordable;
    - a step change in housing supply;
    - delivery of housing in suitable locations - including urban and rural areas; and
    - increased supply of land for housing, used in an efficient and effective way, including prioritising the use of brownfield land.
- ensure the planning system facilitates high quality development that will help to create safe, sustainable, liveable and inclusive communities. CLG, with the Commission for Architecture and the Built Environment (CABE), will make available guidance and standards to ensure Local Authorities and the Planning Inspectorate take account of the need to improve design

[1] *Barker review of land use planning,* HM Treasury, December 2006.

standards when developing and reviewing local policies and determining planning applications;

- work with Government Offices to monitor housing delivery, drive up performance and seek to identify and remove barriers to delivery;
- ensure that its agencies – English Partnerships, the Housing Corporation and their proposed successor the new homes agency – are appropriately supported to help deliver the government's new housing targets. The Government will provide £8 billion over the next three years to invest in affordable housing – initially through the Housing Corporation and then through the new homes agency. English Partnerships will create a bespoke national unit to deal with Surplus Public Sector Land to liaise with relevant Government Departments and other public agencies such as the British Rail Residuary Body, Highways Agency and Health Trusts in order to progress sites. The new homes agency work closely with local authorities, private companies and other partners at a local level to ensure delivery of the government's housing targets;
- through Building Regulations, continue to provide a regulatory lever to improve the energy efficiency of new buildings. In consultation with stakeholders, CLG will progressively tighten standards for energy efficiency in new homes moving towards zero carbon in 2016. To encourage efficient use of water, the Government has announced that it will introduce a whole building performance standard for water efficiency in new homes in 2008. In 2008, the Government will bring forward proposals for revising the Water Supply (Water Fittings) Regulations 1999 with a view to setting new performance standards for key fixtures and fittings such as toilets, urinals and washbasin taps. These proposals will be subject to formal consultation;
- work with the 2016 Taskforce to identify the barriers to implementation of the zero carbon 2016 target, and put in place measures to address them;
- work with key stakeholders in the home building and wider construction industry to encourage private sector uptake of the Code for Sustainable Homes, by measuring private sector uptake of the Code at level 3 and above, and by increasing uptake as far as possible through promotional activities and other policy levers including by consulting on making rating against the Code mandatory for all new homes;
- work with local authorities to ensure that their homelessness strategies fully support prevention and that households are moved into settled accommodation as quickly as possible, and to ensure continued improvements in social housing stock are delivered through the Decent Homes Programme; and
- continue to provide funding for CABE and the Academy for Sustainable Communities (ASC), to enable the provision of expert advice and a range of targeted activities in respect of capacity and capability to improve standards in the delivery of new homes and better places.

Other government departments and their delivery agencies

Key departments

3.6 Responsibility for delivery, particularly in infrastructure provision, is shared with key departments such as the Department for Transport (DfT), the Department for Food and Rural Affairs (Defra), the Department for Children Schools and Families (DCMS), the Department of Health (DH), the Home Office (HO), the Department for Work and Pensions (DWP), the Department for Culture Media and Sport (DCMS) and their respective delivery agencies, with Defra also an important partner in supporting sustainable development.

3.7 This Delivery Agreement sets out each department's responsibilities for delivery of the infrastructure necessary to support the increase in housing supply, and the mechanisms for holding departments to account for delivery.

3.8 Departments will have a number of generic responsibilities. Each department will be part of the partnership across Government responsible for delivering sustainable housing growth to address issues of affordability. As part of this each department will ensure there is an identified departmental senior responsible officer and working level contact responsible for addressing housing growth related issues raised by local partners/local delivery vehicles via CLG or the Government Offices. These will be the first point of contact on issues relating to the delivery of this PSA.

3.9 Partner departments will also work with CLG to develop a document for stakeholders setting out how departments' policies and funding allocation systems will support sustainable housing growth, particularly in areas of high housing growth such as the Growth Areas, Growth Points and eco-towns. This will be a practical guide for local partners demonstrating how funding is intended to support growth, signposting guidance and best practice that will assist in the delivery of more and better homes, and setting out any departmental expectations on the sustainability of development (e.g. for transport this could be introducing soft demand management measures). By setting out for local partners the way in which departments' funding systems are designed to support housing growth, it will be easier for them to identify any perceived problems with funding allocations and for these to be addressed.

Departmental reviews

3.10 To support the process of identifying and overcoming any barriers to infrastructure delivery, CLG will lead on a programme of three-month bilateral reviews with each department to look at the tradeoffs and synergies between housing and infrastructure provision in specific locations and for specific items of infrastructure. These reviews will report to the Minister for Housing and the relevant Secretary of State.

3.11 Each department will ensure it and its delivery agencies, where appropriate, engage constructively and pro-actively in the infrastructure planning process at the local, regional and national level from an early stage, to ensure housing objectives are met alongside other government objectives.

3.12 As well as the generic responsibilities outlined above, government departments will also have a number of specific responsibilities. These are set out below.

Department for Transport (DfT) and its delivery agencies

3.13 DfT and the Highways Agency have key roles to play in the delivery of this PSA. Transport is often key to unlocking housing growth and early and positive engagement in the local, regional and national planning process is vital for the delivery of this PSA. In addition to the generic responsibilities set out above DfT will:

- building on the recommendations of the *Eddington Review*[2], work with CLG, to develop a methodology to better capture the economic benefits that new housing developments generate, for inclusion in the revised New Approach to Appraisal (NATA) system, used to prioritise transport funding, due in 2008;
- work with CLG to encourage Local Planning Authorities to use the Highways Agency's revised Circular on Planning and the Strategic Road Network more vigorously through the proposed business planning process in the context of development control decisions;
- with CLG, conduct further work to explore how soft demand management measures can be better implemented in plans for Growth Points and eco-towns, including the role of sustainable transport modes, incorporating emerging findings from the sustainable demonstration towns, and encouraging New Growth Points to consider using their Growth Point Funding (alongside other transport funding) to support soft demand management measures alongside other funding priorities;
- work with CLG to maximise the links between housing growth and economic productivity, as part of the strategic planning process over the CSR07 period; and
- in line with the outcome of the *Sub-National Review of Economic Development and Regeneration*[3] explore with CLG the possibility of using new sub-regional architecture to prioritise transport funding.

Department for Environment, Food and Rural Affairs (Defra) and its delivery agencies

3.14 Defra and its agencies have a key role to play in the policy framework for, and delivery of environmental infrastructure, particularly for water supply, waste water, waste, flooding and green infrastructure. In addition to the generic responsibilities above, Defra and its agencies will:

- work to ensure early and ongoing consultation with infrastructure providers through the business planning process, ensuring that environmental impacts, including flood risk, water quality and the integration and management of green spaces and biodiversity, are taken into account early on in the planning process;
- work with CLG to address affordability issues, deliver housing and facilitate sustainable growth in rural communities. This will involve taking forward

[2] *The Eddington transport study,* HMT, December 2006.

[3] *Review of sub-national economic development and regeneration,* HMT, July 2007.

actions identified by the Affordable Rural Housing Commission, through a positive and pro-active approach to planning which is informed by evidence and clear targets for delivery at the regional and sub-regional level;

- working in partnership with CLG, Defra will provide support to disaggregate the PSAs national performance indicators through use of the Rural Definition, to monitor progress and ensure effectively delivery of new housing in rural areas;
- influence and support partners (such as the Environment Agency, Natural England, OFWAT, water companies and Local Authorities) to develop timely and efficient solutions (including demand management) which address environmental infrastructure provision;
- ensure that the statutory 25-year Water Resource Management Plans prepared by the water companies are based on robust forecasts for water demand, which in turn are informed by reliable and location-specific information on housing growth from CLG and other partners; and
- work with CLG to take forward relevant recommendations from the Thames Gateway studies and ensure that the lessons learned can be applied to other areas of growth.

Department for Children, Schools and Families (DCSF)

3.15 DCSF provide the educational infrastructure necessary to support growth, particularly nursery, primary and secondary education facilities. In addition to the generic responsibilities above DCSF will:

- expand existing guidance in order to identify and spread best practice amongst LAs in school place planning and tackling surplus places;
- improve the support and guidance given to LAs in planning their capital requirements to support housing growth;
- use the most up to date actual pupil numbers in school funding allocations to LAs (e.g. January 2008 for 2008-09 allocations);
- make available a small exceptional circumstances grant to sit alongside the Dedicated Schools Grant to provide support to LAs who experience exceptional in-year increases in pupil numbers, both in overall terms and in the numbers of children for whom English is not the first language; and
- consider, in management of its capital programme, including Building Schools for the Future from wave 7 onwards, how the pressure of housing growth is best addressed.

Department of Health (DH)

3.16 DH works with CLG to provide the primary and secondary care necessary to support housing growth. In addition to the generic responsibilities above, DH will:

- work with CLG to consider the pressures faced by Growth Areas and New Growth Points in Primary Care Trusts (PCTs) when carrying out the work on revenue allocations to PCTs post 2007-08; and

- work with CLG on a letter and guidance for PCTs on working with local partners/local delivery vehicles on planning for growth including contributions to core planning documents.

Department for Culture, Media and Sport (DCMS)

3.17 DCMS aims to improve the quality of life for all through cultural and sporting activities, to support the pursuit of excellence and to champion the tourism, creative and leisure industries. DCMS also sponsors Sport England and English Heritage, who are statutory planning consultees and can play advisory roles on sport and active recreation in relation to housing, the re-use of historic buildings and the effect of housing construction on the historic environment. In addition to generic responsibilities DCMS will:

- through its sponsored bodies, work with LAs, Local Delivery Vehicles and Agencies to seek to promote polices on the quality of the built environment, heritage protection, sports and other cultural facilities, including through any appropriate Local Area Agreements. This includes funding decisions on heritage, sport and culture related issues;
- continue to engage in a partnership across Government through the Culture and Sustainable Communities Joint Agreement, to plan for cultural provision and good quality building design in sustainable housing growth; and
- as sponsor for CABE, the Government's advisory body on architecture, urban design and public space, DCMS will work with CLG to ensure that CABE's activities embed an understanding of the benefits of good design, in order to influence practice in both the public and private sectors.

Home Office (HO)

3.18 HO has responsibility for the national effort to protect the public from terror, crime and anti-social behaviour and, within that, for providing an effective criminal justice system and responsive policing from the national to local community level.

3.19 The population of each police authority is a key driver within the police funding formula. With the introduction of multi year settlements in 2006/07, projections of populations are now used to ensure the police funding formula is forward looking. The distribution of police formula grant also takes into account the relative needs of police authorities through socio-economic, demographic and geographic factors and the ability of authorities to raise income through council tax.

Department for Work and Pensions (DWP)

3.20 DWP have a role in developing policy on and delivering the welfare benefits, in-work benefits and employment advice to help people access and maintain housing.

3.21 DWP will continue to develop Housing Benefit policy for statutorily homeless people placed by local authorities in temporary accommodation to ensure it meets a reasonable rent, offers value for money, and supports work incentives.

THE REGIONAL TIER

Regional spatial strategies

3.22 The Regional Spatial Strategy (RSS) process, undertaken by each Regional Planning Body (RPB), sets out the broad strategy for development in each region over a 15 to 20 year period, including housing provision figures for the region disaggregated to district level.

3.23 Several stages are involved in drafting, consulting on, and publishing a Regional Spatial Strategy, with extensive public consultation an integral part of the process. During the first stage the RPB works with LAs and key stakeholders to develop a draft RSS. This involves a number of processes:

- in setting the overall regional housing number, RPBs will engage early with a number of organisations, including inviting LAs to submit evidence and seeking advice on housing affordability from the National Housing and Planning Advice Unit;
- RPBs will involve infrastructure providers, including the utility companies, from an early stage of the process, so that, as far as possible the draft RSS that is put forward, has been agreed by infrastructure providers and is consistent with their infrastructure plans. Infrastructure delivery bodies will need to engage in line with responsibilities set out above;
- RPBs will work with partners to explore synergies and trade-offs and RPBs and infrastructure providers will both need to adjust plans to maximise growth alongside other priorities;
- regional and local bodies will work collaboratively with partners and stakeholders to develop a robust evidence of the likely level and mix of housing required and the availability of land that is suitable for housing; and
- in future the Government will issue formal guidance at the beginning of RSS preparations (and subsequently where appropriate) on the ranges of housing provision required over a 15 to 20 year time period. This guidance will be based on the independent advice of the National Housing and Planning Advice Unit.

3.24 Draft RSSs will continue to be subject to Examination in Public, at which the deliverability and robustness of the strategy is tested in front of an independent panel. Tensions not explored or resolved in developing the draft strategy are debated through a series of representations from key stakeholders, with Government Offices co-ordinating the government position.

3.25 Having considered the evidence, the panel Chair will publish the panel's view in a Panel Report. This will then be examined by the Secretary of State, who will publish proposed changes to the report. These will be subject to a further round of Public Consultation before the final RSS is issued by the Secretary of State.

3.26 The Government will encourage the early review of housing provision in RSSs, especially in areas of high demand and locations in sub-regions where appropriate. Such partial reviews will also enable the proposals for new eco-towns and additional Growth Points to be properly assessed within the planning system. We expect that all such reviews of RSSs should be completed by 2011 to reflect plans for 240,000 homes a year by 2016.

3.27 Regions are required to produce Annual Monitoring Reports, showing how actual housing performance for the previous financial year compares to RSS housing targets and policies. These reports set out the actions that the region will take to address underperformance across the region, working with LAs as necessary.

Government offices

3.28 Government Offices, as part of their ongoing role in managing central Government's relationship with local areas and driving up local performance, play a key role in helping to communicate key policy messages, particularly on housing, growth and planning policies. They will work proactively with regional bodies, LAs and other partners such as housebuilders, other government departments, infrastructure providers and the utility companies to align relevant regional strategies, plans and investment to support housing delivery. In particular, this will involve influencing Regional Housing Strategies, Regional Spatial Strategies and Local Development Frameworks and providing significant support to local authorities in areas of high growth. They will put in place mechanisms for monitoring and improving Local Authority progress towards delivering the outcomes that this PSA seeks to achieve, working with LAs and others to identify and mitigate risks to delivery, including helping to address barriers to delivery, brokering solutions and reporting progress to Government and other stakeholders.

3.29 The *Review of Sub National Economic Development and Regeneration* announced that RSSs and Regional Economic Strategies are to be merged into a single regional strategy. Regional Development Agencies will take on responsibility for preparing the combined regional strategy, working with LAs and other partners. Detailed proposals will go out to consultation. The full reform will require primary legislation. The next two to three years will, therefore, see a managed transition to the new arrangements.

The Local Authority Role

The Strategic Housing Role

3.30 The strategic housing role is at the heart of Local Authority place shaping – creating vibrant mixed communities by ensuring that the right housing, of the highest quality, is in the right place with the necessary infrastructure and support.

3.31 This strategic housing role requires vision, leadership, planning and delivery at a strategic level. To deliver this LAs will:

- assess and plan for the current and future housing needs of the local population across all tenures;
- make the best use of the existing housing stock;
- plan and facilitate new supply;
- plan and commission housing support services which link homes to the support and other services that people need to live in them; and
- work in partnership to secure effective housing and neighbourhood management on an on-going basis.

3.32 In order to deliver on their strategic housing role, Authorities will use the full range of housing and planning land use powers, in collaboration with a wide range of partners at the local, sub-regional and national level. Government is also proposing various measures to help empower and incentivise LAs in carrying out their strategic housing role.

Local planning authorities

3.33 LAs, in their role as Local Planning Authorities (LPAs), each draw up a Local Development Framework (LDF), which must be in general conformity with RSSs. In these local spatial plans, LPAs, working in partnership with infrastructure providers, the utility companies, land owners and developers, will set out the strategy for delivering their housing provision targets.

3.34 LDFs provide a framework for creating sustainable communities, including the supporting infrastructure that will be required and how this will be delivered. This will include making use of existing capacity and setting out how demand management for limited resources such as water, road space and energy could be used. LDFs will also set out the vision for individual places across the authority and how this vision will be achieved, including their objectives for creating a high quality public realm.

3.35 LDFs will be examined by the Planning Inspectorate, acting to ensure quality in the spatial planning process. It examines plans to check that they meet the requirements set out above, rejecting them where they do not meet these standards.

3.36 LPAs will manage housing delivery through identifying sufficient, suitable land for housing. As set out in Planning Policy Statement 3 (PPS3), they need to identify at least a 15 year supply of land with a 5 year rolling supply that is available to deliver the level of homes that they need. The Government will incentivise authorities through a new Housing and Planning Delivery Grant.

3.37 LPAs are required to produce Annual Monitoring Reports showing how actual housing performance for the previous financial year compares to plan housing targets and policies. This will include showing how many sites from the 5 year supply of deliverable housing sites have been built upon during the year, together with a revised list of sites to maintain the five years supply, drawing upon sites allocated for housing in their LDFs. These reports should set out the actions that the authorities will take where they are underperforming against their housing trajectories.

3.38 LPAs are also responsible for development control relating to individual Planning Applications. They will continue to grant planning permission; negotiate section 106 agreements; partner with developers; and act as ringmaster in seeking the necessary infrastructure. The Planning Inspectorate deals with appeals against decisions regarding the grant of planning permission.

3.39 The new Local Government Performance Framework includes overall housing supply and affordable housing supply among the 200 national indicators against which all LAs must report. As part of the LAA negotiation process, GOs and CLG will consider which LAs could benefit from a stretching LAA target to improve housing delivery.

Local area agreements

3.40 New Local Area Agreements (LAAs) will help to embed housing at the heart of the area's priorities. They will also provide further leverage over LAs' housing delivery and renewed focus on areas of particular importance. Failure to meet targets would lead ultimately to the ladder of intervention set out in the Local Government White Paper, and possible loss of LAA reward grant.

3.41 Negotiations for the new LAAs are due to be complete by June 2008, and LAAs will be subject to annual reviews.

Homelessness

3.42 LAs also have a statutory duty to produce a strategy for preventing homelessness and for ensuring that sufficient accommodation and support is available for people who are homeless or at risk of homelessness.

3.43 LAs are encouraged to involve other services and agencies, both statutory and non-statutory, in producing and delivering on their homelessness strategy. Voluntary agencies, in particular, will play a key role in helping prevent homelessness and meeting the needs of people who have experienced homelessness. Local Authorities will also make best use of their stock to support those who are in the most housing need and are encouraged to work in partnership with other agencies to ensure appropriate use of all housing. They will also maintain and improve existing council housing stock and may actively pursue improvements in the private sector stock through grant and enforcement activities, thus increasing the supply of decent homes.

THE ROLE OF THE HOUSEBUILDING INDUSTRY

3.44 The housebuilding industry plays a crucial role in the delivery of this PSA. Over 6000 firms are estimated to be operating in the residential construction market, but with the top seven firms generating around 40 per cent of total completions in 2006, the vast majority of these are relatively small. Whilst it will be important not to neglect smaller firms, it is clear that achieving the housing growth targets will necessitate an increase in output from major housebuilders.

3.45 Where housing is supplied with government subsidy through the Housing Corporation, Registered Social Landlords and other recipients of grant, working closely with other developers, also play an important role.

3.46 The housebuilding industry also has an important role in delivering on the Government's commitment that all new homes should be zero carbon by 2016, through developing the technologies, economies of scale, skills and supply chain that will be needed to ensure the compatibility of our environmental and housing objectives.

3.47 Exemplary new developments around the country show that the industry is capable of building to the highest standards, and the focus must now be on applying these good design principles more consistently to eliminate poor development and make good and very good the norm. CLG will continue to fund CABE to assist the industry in this effort, through the provision of urban design training, expert advice and the Design Champions programme.

3.48 CLG will continue regular engagement with representatives of the housebuilding industry, including the Home Builders Federation, and through this seeks to explore and address barriers to housing delivery. The Home Builders Federation, along with other stakeholders, is involved in consultation on the plan making process at all levels.

Callcut Review

3.49 The Government will examine the recommendations of The Callcutt Review of Housebuilding Delivery when published to consider whether there may be further options to improve the delivery of new homes while also achieving high standards of energy efficiency and sustainability. The review aims to examine how the supply of new homes is influenced by the nature and structure of the housebuilding industry, and is expected to report in the autumn.

ACCOUNTABILITY AND GOVERNANCE

3.50 The Secretary of State for Communities and Local Government is the lead minister for this PSA. CLG will set out the strategy for delivery through this Delivery Agreement and other relevant documents, and ensure that appropriate monitoring and evaluation arrangements are in place to enable the vision to be realised. The Senior

Responsible Officer (SRO) is CLG's Director General for Housing and Planning, who will be supported by a programme board. A cross government steering group will include the key stakeholders responsible for delivering this PSA. In addition the relevant Cabinet Committee/s will drive performance by regularly monitoring progress, holding Departments and programmes to account and resolving inter-departmental disputes where they arise.

A MEASUREMENT ANNEX

Indicator 1	Number of net additional homes provided
National target	Increase the number of net additional homes provided per annum to 240,000 by 2016.
Data provider	National House Building Council, local authorities, approved building inspectors, regional assemblies.
Data set used	Housing Flows Reconciliation joint returns.
Baseline	185,000 net additional homes in 2005-06.
Frequency of reporting	Annual.
95 per cent confidence interval at last outturn	Not applicable - indicator counts the actual number of net additional homes provided.
Data Quality Officer	Statistician HMPA 5, Communities and Local Government.
Minimum movement required for performance assessment	5,000.

DEFINITION OF KEY TERMS

- *Annual net additions:*
  The increase in dwelling stock over one year, typically new build, less demolitions plus any gains or losses through conversions.

Indicator 2	Affordability: the ratio of lower quartile house prices to lower quartile earnings
Data provider	HM Land Registry and ONS.
Data set used	Q1 to Q2 HMLR house prices (market value house prices) and Annual Survey of Hours and Earnings (ASHE).
Baseline	7.25 in Q1 2007.
Frequency of reporting	Annual.
95 per cent confidence interval at last outturn	HMLR not applicable (census) and ASHE less than 5 per cent at GOR level.
Data Quality Officer	Housing market statistician (HMPA6), Communities and Local Government.
Minimum movement required for performance assessment	Greater than 5 per cent.

DEFINITION OF KEY TERMS

- *House prices:*
  Reflects the price paid by people who bought houses excluding sales and transfers below market value.
- *Earnings:*
  Data are based on individual, full-time earnings on a workplace basis.
- *Lower quartiles:*
  Lower quartile is defined as the price where 25 per cent of prices are below it and 75 per cent are above it.
- *Non-seasonally adjusted:*
  Data have not been adjusted to remove the effect of seasonal fluctuations, partly to enable consistent interpretation of the ratio.

Indicator 3	Number of affordable homes delivered (gross)
National target	Increase the number of gross affordable homes provided per annum to 70,000 by 2010-11 including 45,000 social homes.
Data provider	Housing Corporation, local authorities, private developers.
Data set used	Housing Corporation information management system, local authority returns to Communities (HSSA, P2), returns from private developers.
Baseline	44,923 affordable homes in 2005-06 (incl. 23,411 social homes).
Frequency of reporting	Annual.
95 per cent confidence interval at last outturn	Not applicable – indicator counts the actual number of affordable homes provided.
Data Quality Officer	HMPA 5, Communities and Local Government.
Minimum movement required for performance assessment	1,000.

DEFINITION OF KEY TERMS

- *Affordable housing:*
  includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:
  - Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
  - Include provision for the home to be retained for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision'.
- *Social rented housing :*
  Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant.
- *Intermediate affordable housing:*
  Housing at prices and rent above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent.

These definitions are set out in Planning Policy Statement 3 (PPS3): Housing and replace guidance given in Planning Policy Guidance Note 3: Housing (PPG3) and DETR Circular 6/98 Planning and Affordable Housing.

The definition does not exclude homes provided by private sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered, for planning purposes, as affordable housing. Whereas those homes that do not meet the definition, for example, 'low cost market' housing, may not be considered, for planning purposes, as affordable housing.

There is further guidance on eligibility for affordable housing, recycling of subsidy, specific features of social rented and intermediate affordable housing and the application of the affordable housing definition, in particular with regard to the extent to which non-grant funded and private sector low cost housing products meet the definition in the Affordable Housing Policy Statement which accompanied PPS3.[1]

- *Homes delivered (gross):*
  Affordable housing delivery can be either a new build property or an acquisition. An affordable housing acquisition is where an existing, private sector property, has been purchased (often by a registered social landlord) for use as an affordable home.

  Delivery is measured in gross terms which is an overall account of supply. This measure does not account for any sales, demolitions or conversions of the affordable housing stock.

National target

A.1 Number of affordable homes delivered (gross) can be split into two distinct data series:

1. The number of social rent homes delivered each year.
2. The number of intermediate homes delivered each year.

A.2 The national target was announced in the Housing Green Paper (*Homes for the future: more affordable, more sustainable* – CLG, July 2007).

A.3 Of the 70,000 affordable homes 45,000 will be available for social rent and 25,000 for other intermediate housing schemes including shared ownership and shared equity.

[1] http://www.communities.gov.uk/pub/808/DeliveringAffordableHousing_id1504808.pdf

Indicator 4	Number of households in temporary accommodation
National target	Halve the number of households in temporary accommodation to 50,500 households by 2010.
Data provider	CLG data, reported by Local Housing Authorities.
Data set used	P1E data- total households in temporary accommodation
Baseline	101,000 in Q4 2004.
Frequency of reporting	Quarterly.
95 per cent confidence interval at last outturn	Not applicable (census).
Data Quality Officer	Vulnerable groups statistician (HCA2), Communities and Local Government.
Minimum movement required for performance assessment	1,000.

DEFINITION OF KEY TERMS

- *Temporary accommodation under homelessness provisions:*
  The duty owed to a household accepted by a local housing authority as eligible for assistance, unintentionally homeless and in priority need is to secure suitable accommodation. If a settled home is not immediately available, the authority may secure temporary accommodation until a settled home becomes available. Data collected on the P1E housing return includes "snapshot" information on the numbers of households being housed in various types of temporary accommodation by the local authority on the last day of the quarter. The figures include both those households who have been accepted as owed the main homelessness duty, and those for which enquiries into whether they are owed the duty are pending.

National target

A.4 Each LA has submitted projections showing how they plan to reach their own target, which we monitor against actual performance each quarter.

Indicator 5	Average Energy Efficiency Rating for new homes (SAP)
Data provider	Communities & Local Government.
Data set used	Energy Performance Certificates (EPCs).
Baseline	Available in Q1 2008.
Frequency of reporting	Quarterly.
95 per cent confidence interval at last outturn	Not applicable – not survey data.
Data Quality Officer	Climate change analyst (to be confirmed). Communities & Local Government.
Minimum movement required for performance assessment	Any movement is sufficient to make a performance assessment.

DEFINITION OF KEY TERMS

- From 1 October 2007 *Energy Performance Certificates* will be produced for all new homes and show the official energy efficiency rating of a property.
- *SAP* is the Government's Standard Assessment Procedure for Energy Rating of Dwellings. SAP 2005 is adopted by government as part of the UK national methodology for calculation of the energy performance of buildings.

Indicator 6	Local planning authorities to have adopted the necessary Development Plan Documents, in accordance with their Local Development Schemes, to bring forward developable land for housing in line with PPS 3
National Target	By March 2011, 80 per cent of local planning authorities to have adopted the necessary Development Plan Documents, in accordance with their agreed Local Development Scheme.
Data provider	Government Offices.
Data set used	Actual dates of adoption (for key development plan documents by authority).
Baseline	No authority currently has an up to date LDF.
Frequency of reporting	Monthly.
95 per cent confidence interval at last outturn	Not applicable – not a survey.
Data Quality Officer	Planning and land use statistics, CLG.
Minimum movement required for performance assessment	Any movement is sufficient to make a performance assessment.

DEFINITION OF KEY TERMS

- *Local Development Framework:*
  The local development framework is comprised of local development documents. This includes development plan documents, supplementary planning documents, the local development scheme and the annual monitoring report.
- *Development Plan Document:*
  A document prepared by councils that are part of the statutory plan.
- *Estimated start time:*
  The estimated date when work will begin on a particular development plan document.
- *Actual start date:*
  The actual date work began on a particular development plan document.
- *Estimated submission date:*
  The estimated date when the development plan document will be submitted for examination by the Planning Inspectorate.
- *Actual submission date:*
  The actual date when the development plan document was submitted for examination by the Planning Inspectorate.
- *Estimated date of adoption:*
  The estimated date when the development plan document will be adopted.

- *Actual date of adoption:*
  The actual date when the development plan document will be adopted.