



National Audit Office

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## **Report**

by the Comptroller  
and Auditor General

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**Ministry of Housing, Communities & Local Government**

# Investigation into Starter Homes

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Ministry of Housing, Communities & Local Government

# Investigation into Starter Homes

Report by the Comptroller and Auditor General

Ordered by the House of Commons  
to be printed on 4 November 2019

This report has been prepared under Section 6 of the  
National Audit Act 1983 for presentation to the House of  
Commons in accordance with Section 9 of the Act

Gareth Davies  
Comptroller and Auditor General  
National Audit Office

1 November 2019

This investigation sets out the status of Starter Homes policy and legislation, and the impact of government's investment. It was prompted by comments in the media on the progress made in building Starter Homes.

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## **Investigations**

We conduct investigations to establish the underlying facts in circumstances where concerns have been raised with us, or in response to intelligence that we have gathered through our wider work.

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# Contents

**What this investigation is about** 4

**Summary** 8

**Part One**

Policy and legislation 11

**Part Two**

Impact of the Ministry of  
Housing, Communities & Local  
Government's investment 14

**Appendix One**

Our investigative approach 19

**Appendix Two**

Previous reports on housing 20

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# What this investigation is about

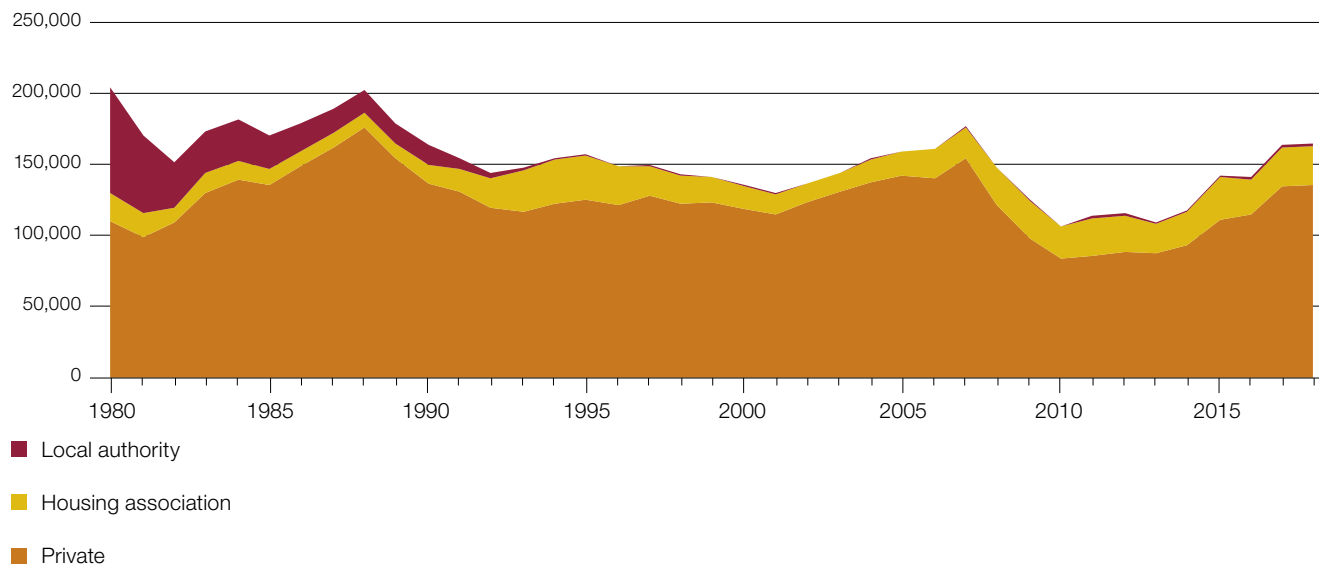
## Housing policy

1 The Ministry of Housing, Communities & Local Government’s (the Department’s) overarching objective for new housing in England is to “support the delivery of a million homes by the end of 2020 and half a million more by the end of 2022 and put us on track to deliver 300,000 net additional homes a year on average”. Since 2015, the number of new homes built has grown year on year but remains lower than in the 1980s (Figure 1).

**Figure 1**  
New housebuilding in England since 1980

Housebuilding in recent decades continues to be lower than in the 1980s

Dwellings completed in year



Thousands	1980	1990	2000	2010	2015	2018
Private	110	136	118	83	111	135
Housing association	19	14	17	23	30	27
Local authority	75	14	0	1	2	3

**Note**

1 Private dwellings include those where the tenure of the dwelling is not known at the time of completion.

Source: Ministry of Housing, Communities & Local Government

**2** The ambition to deliver 300,000 net additional homes is supported by an extensive and complex array of policies (**Figure 2** on pages 6 and 7), many of which pre-date this Parliament and have been carried over from previous housing programmes. The programme to create Starter Homes is one of these and was first publicised in 2014.

**3** In recent years, the National Audit Office (NAO) has published a series of reports on housing in England, beginning with *Housing in England: Overview* in 2017.<sup>1</sup> Appendix Two presents an overview of relevant reports, drawing out findings relevant to the government's ambition for 300,000 new homes a year from the mid-2020s.

## **Starter Homes**

**4** In April 2015, the Conservative Party manifesto committed to “200,000 Starter Homes, which will be sold at a 20% discount and will be built exclusively for first-time buyers under the age of 40”. The November 2015 Spending Review subsequently provided £2.3 billion to support the delivery of 60,000 Starter Homes (of the 200,000 previously announced). The Housing and Planning Act (2016) set out the legislative framework for Starter Homes and the Department ran a consultation on Starter Homes Regulations (the regulations) between March and June 2016.

**5** Between 2015 and 2018, government's policy towards Starter Homes shifted. In May 2018, the Minister of State for Housing and Planning stated that the government had spent an estimated £250 million of the Starter Homes Land Fund. In July 2018, the Department clarified that it had spent £250 million buying land to build affordable properties from two funds, the Starter Homes Land Fund and the Land Assembly Fund, with work under way to get the land ready for development, but that building had not yet started.

**6** Following media articles that criticised the progress made towards Starter Homes, we undertook an investigation with the aim of establishing:

- the status of Starter Homes policy and legislation; and
- the impact of the Department's investment in Starter Homes.

<sup>1</sup> Comptroller and Auditor General, *Housing in England: Overview*, Session 2016-17, HC 917, National Audit Office, January 2017.

**Figure 2**

## The government's housing programmes

Government's current and recent programmes aim to increase housing supply and home ownership

Programme	Strategic objective	
	Driving up housing supply	Increasing home ownership
<b>Accelerated construction</b> Support to increase the number of homes that are completed by encouraging medium-sized builders, new developers and those using innovative methods of construction into the housebuilding market, and making the most of public land assets.	X	
<b>Brownfield land</b> Local authorities must produce and maintain up-to-date, publicly available registers of brownfield sites available for housing.	X	
<b>Estate regeneration</b> Loans to begin regeneration of up to 100 estates with funding available over five years from 2016 to 2021.	X	
<b>Extending Right to Buy to housing association tenants</b>	X	X
<b>Garden Communities</b> Supporting the delivery of locally led garden communities across the country.	X	
<b>Help to Buy: Equity Loans</b> Loans of up to 20% of the value of new homes (40% in London).	X	X
<b>Help to Buy: Mortgage Guarantee Scheme<sup>1,2</sup></b>		X
<b>Help to Buy Individual Savings Account (ISA)<sup>1</sup></b> First-time buyers receive a government bonus of up to £3,000 towards their first home. The bonus contributes towards their deposit just before completion.		X
<b>Home Building Fund</b> Funding to private sector organisations of up to £2.5 billion in total for at least 52,000 homes by 2022-23. Intention to put in place, by 2020-21, long-term funding for 160,000 to 200,000 homes.	X	
<b>Housing Infrastructure Fund</b> Providing infrastructure funding to local authorities targeted at unlocking new private housing in areas where housing need is greatest to deliver up to 650,000 new homes.	X	
<b>Land Assembly Fund</b> Used by Homes England (and, within London, the Greater London Authority) to acquire land needing work and to prepare it for the market.	X	
<b>Large sites and Housing Zones Capacity Fund</b> Supporting the delivery of large (more than 1,500 units) and complex sites within eligible Housing Zones outside of London.	X	
<b>Lifetime ISA<sup>1</sup></b> Government to add 25% to savings to help first-time buyers save for a deposit.		X



**Figure 2 continued**

## The government's housing programmes

Programme	Strategic objective	
	Driving up housing supply	Increasing home ownership
<b>New Homes Bonus</b>		
Financial incentives for local authorities to encourage housing growth in their areas.	X	
<b>Planning reforms</b>		
Included requiring local authorities to produce local plans and revisions to the National Planning Policy Framework in 2018.	X	
<b>Public sector land disposal</b>		
Releasing public sector land for 160,000 homes to developers.	X	X
<b>Right to Buy</b>		
Allows council tenants the right to buy their homes at a discount. In 2012, the then Department for Communities and Local Government committed to ensuring that for every additional council home sold, a new home was built or acquired for affordable rent.	X	X
<b>Shared Ownership and Affordable Homes Programme 2016–2021:</b>		
Capital funding to support:	X	X
<ul style="list-style-type: none"> <li>● Help to Buy: Shared Ownership.</li> <li>● Rent to Buy.</li> <li>● Supported and older people's rental accommodation.</li> </ul>		
In the 2016 Autumn Statement the government announced that it would relax restrictions on grant funding to allow providers to deliver a mix of homes for affordable rent and low-cost ownership.		
Funded in part by the Stamp Duty Land Tax surcharge on purchases of second homes and buy-to-let properties. <sup>3</sup>		
<b>Single Land Programme</b>		
Land acquired by Homes England from the private sector, other government departments and legacy land holdings. Expected to provide more than 60,000 new homes.	X	
<b>Starter Homes</b>		
A minimum discount of 20% on 200,000 new homes worth up to £250,000 (£450,000 in London) for first-time buyers aged between 23 and 40. The Department and its agencies have financed preparations for Starter Homes through three main sources of funding: Starter Homes 2015 funding, the Starter Homes Local Authority Funding Programme, and the Starter Homes Land Fund.	X	X

**Notes**

- 1 These programmes are the responsibility of HM Treasury.
- 2 The scheme closed on 31 December 2016.
- 3 Recent changes to Stamp Duty Land Tax were driven by fiscal and economic objectives. However, they were also intended to support home ownership and the government's wider housing objectives by, for example, contributing to the affordable homes budget.

Sources: National Audit Office. Department for Communities and Local Government, *Single departmental plan: 2015 to 2020*, March 2016. House of Commons Library, *Stimulating housing supply – Government initiatives (England)*, Briefing paper 06416, June 2016

# Summary

## Key findings

### Starter Homes progress

**7 No Starter Homes have been built to date.** The funding originally intended for Starter Homes has instead been spent on acquiring and preparing brownfield sites for housing more generally, some of which is affordable housing. It is possible that developers have built and sold homes that conform to the intended Starter Home specifications as outlined in the Housing and Planning Act (2016), although the exact specifications are not yet defined. However, legally these cannot be marketed as Starter Homes until the necessary secondary legislation is enacted (paragraphs 1.3, 2.3, 2.9, 2.11, 2.12 and 2.14).

### Progress of policy and legislation

**8 The Starter Homes legislative provisions are not yet in force.** The statutory framework for Starter Homes, the Housing and Planning Act (2016), received Royal Assent on 12 May 2016, although the relevant sections of the Act have not yet come into force. The Ministry of Housing, Communities & Local Government (the Department) expected to introduce the secondary legislation and planning guidance required for Starter Homes in 2019 but it is yet to lay the regulations in Parliament. Developers can, and do, market discounted properties as ‘starter homes’ as part of their contribution to affordable housing, but such properties do not necessarily conform to all the intended requirements of Starter Homes as defined in the Housing and Planning Act (2016) (paragraphs 1.2 and 1.3).

**9 The Department no longer has a budget dedicated to the delivery of Starter Homes.** The concept of Starter Homes was first introduced at the Conservative Party conference in September 2014. The Housing and Planning Act (2016) set out the legislative framework for Starter Homes. However, the housing white paper in 2017 marked a shift in housing policy, replacing the target of 200,000 Starter Homes with a target to help 200,000 households into home ownership through a range of government-backed schemes, including Starter Homes, shared ownership, Right to Buy and Help to Buy products. The November 2017 Autumn Budget reallocated funding earmarked for Starter Homes to the £9 billion Shared Ownership and Affordable Homes Programme and the Land Assembly Fund (LAF) (paragraphs 1.1 to 1.5).

## Impact of the Department's investment

**10 Between 2015-16 and 2017-18, the Department spent almost £174 million preparing sites originally intended for building Starter Homes.** The Department and its agencies have financed preparations for Starter Homes through three main sources of funding: Starter Homes 2015 funding; the Starter Homes Local Authority Funding Programme (the Programme); and the Starter Homes Land Fund (SHLF) (paragraph 2.1).

**11 In 2015-16, Homes England spent £15.4 million of the Starter Homes 2015 funding preparing brownfield land.** Although £26 million of funding had been made available by the Department, the full amount was not spent because Homes England did not identify enough sites within 2015-16, the year when the funding was available, and the unspent funding was returned to HM Treasury. Homes England is forecasting that the funding will generate 379 new homes, of which it expects 98 to be affordable, although the forecasts are subject to change depending on the progress of the individual developments. The Department is forecasting that it will spend an additional £1.3 million (from the SHLF) on the seven acquisitions and four existing sites being prepared. The Department is forecasting receipts of £8.5 million from the onward sale of the land and had received £4.8 million of this expected income as at 31 March 2019. Net of estimated receipts from the sale of the land to developers, Homes England's forecast spend equates to around £21,600 per home (paragraphs 2.2 to 2.6).

**12 Since August 2015 the Department has spent £6.45 million supporting local authorities through the Programme.** Homes England awarded 19 grants to 14 local authorities outside of London, and the Greater London Authority (which administered the funding for Starter Homes in London) awarded a grant to one London borough, for the preparation of vacant and underused brownfield land for Starter Homes. The local authorities are forecasting that the funding will generate 444 new homes in total, of which it expects 374, nearly 85%, to be affordable. The spend equates to around £14,500 per home (paragraphs 2.7 to 2.10).

**13 In 2016-17 and 2017-18, the Department spent £151 million under the SHLF, but the spending has not supported the building of Starter Homes.** The Department used the SHLF to acquire and remediate suitable land to then sell on to developers. The Department forecasts the spending will create 1,268 affordable homes and 3,907 market homes; however, without the necessary secondary legislation, the homes cannot be marketed as Starter Homes. The Department is forecasting receipts of £137.2 million from the onward sale of the land and had received £8.9 million of this expected income as at 31 March 2019. The SHLF ended in March 2018. By July 2019, the Department had spent a further £19 million on remediation of the sites acquired under the SHLF, and forecasts that an additional £15 million will be spent on the sites before they are disposed of, with the funding drawn from other funds. Net of estimated receipts, Homes England's forecast spend equates to around £9,200 per home. The November 2017 Autumn Budget reallocated unused funding from the SHLF to the LAF, intended to support housing more generally (paragraphs 2.11 to 2.13).

**14 In 2017-18, the Department spent £97 million from the SHLF, but under LAF criteria, on acquiring land needing work and preparing it for the market.** This spend makes up the remainder of the £250 million spend referred to by the Minister of State for Housing and Planning to Parliament in May 2018. However, it was not spend that was dedicated to the delivery of Starter Homes, but to the acquisition and assembly of land to support the provision of housing more generally. The funding was used to acquire four sites on which the Department expects to deliver more than 4,500 homes. The Department does not have proposed numbers of affordable homes for the four sites purchased as they are still subject to planning applications. However, Homes England aims to provide levels of affordable housing on all sites consistent with applicable housing policy, subject to the decisions of local planning authorities (paragraphs 2.14 to 2.17).

# Part One

## Policy and legislation

### Background

**1.1** The concept of Starter Homes was first introduced at the Conservative Party conference in September 2014 by the Prime Minister. **Figure 3** on pages 12 and 13 provides a timeline of key events in the development of Starter Homes policy and legislation.

### Status of policy and legislation

**1.2** The government's early budget and policy announcements on Starter Homes included clear commitments to the number of new homes, when building work would be completed and the eligibility criteria potential buyers must meet.

**1.3** The government published its response to the consultation on the Starter Homes Regulations (the regulations) in February 2017. At present, no new homes can be built or sold as Starter Homes as they cannot exist until the regulations are approved. The Ministry of Housing, Communities & Local Government (the Department) expected the regulations to be introduced in 2019 but is yet to lay them in Parliament. Developers can, and do, market discounted properties as 'starter homes' as part of their contribution to affordable housing, but such properties will not necessarily conform to all the intended requirements of Starter Homes as defined in the Housing and Planning Act (2016).

**1.4** Government publications from 2017 onwards show a significant change in direction for Starter Homes housing policy. The housing white paper replaced the target of 200,000 Starter Homes with a target to help 200,000 households into home ownership through a range of government-backed schemes. The National Planning Policy Framework (NPPF), published in July 2018, included a policy expectation of at least 10% affordable home ownership units on suitable sites, although it is up to local authorities to determine which types of affordable homes will best meet their local needs.

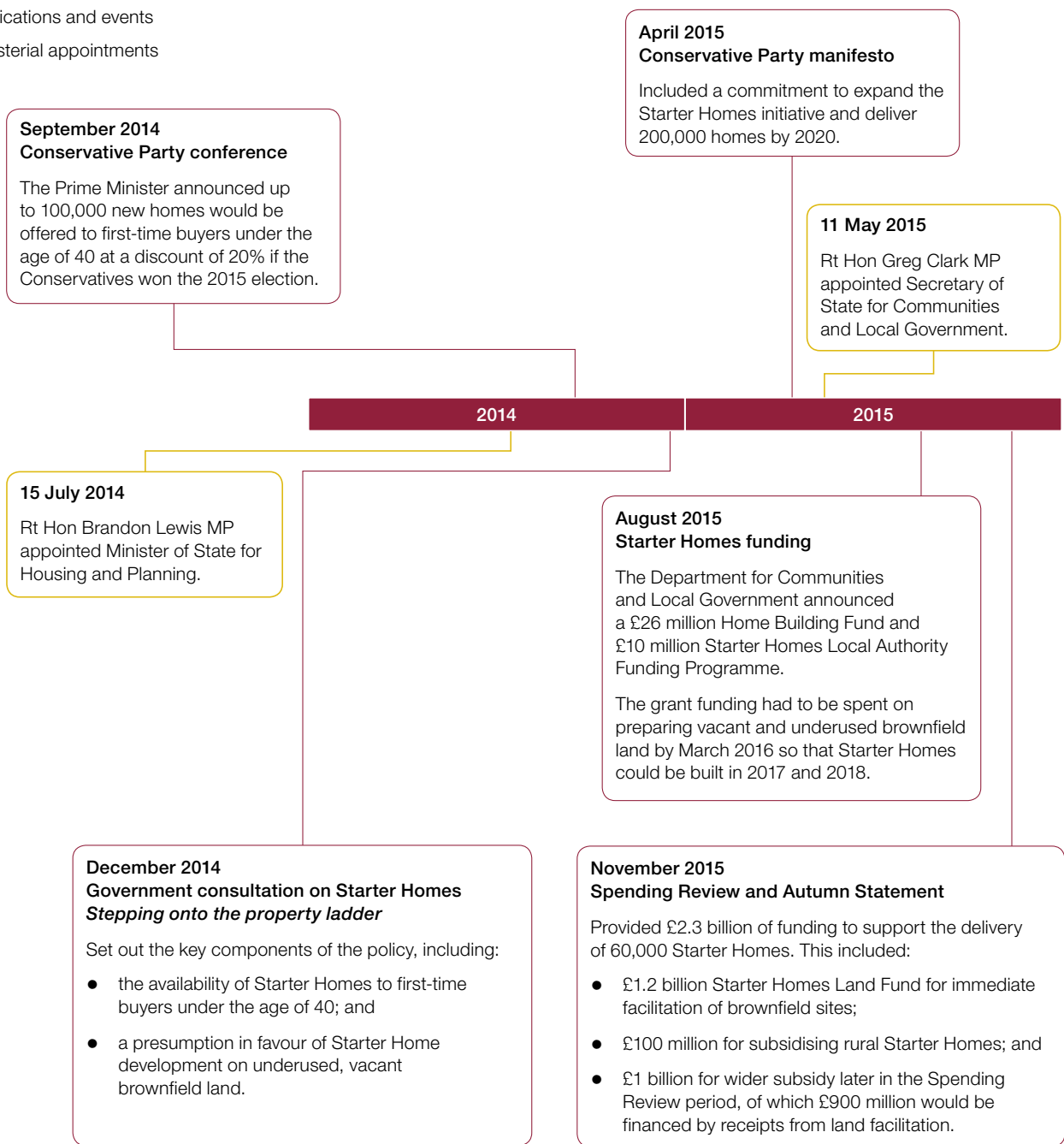
**1.5** A revised NPPF was published in February 2019 setting out the government's planning policies for England and their expected application. The only reference this makes to Starter Homes is in the glossary, which states that Starter Homes are defined by secondary legislation under the Housing and Planning Act (2016).

**Figure 3**

Timeline of key events in the development of Starter Homes policy and legislation from 2014 to 2018

**Starter Homes were first proposed in September 2014**

- Publications and events
- Ministerial appointments

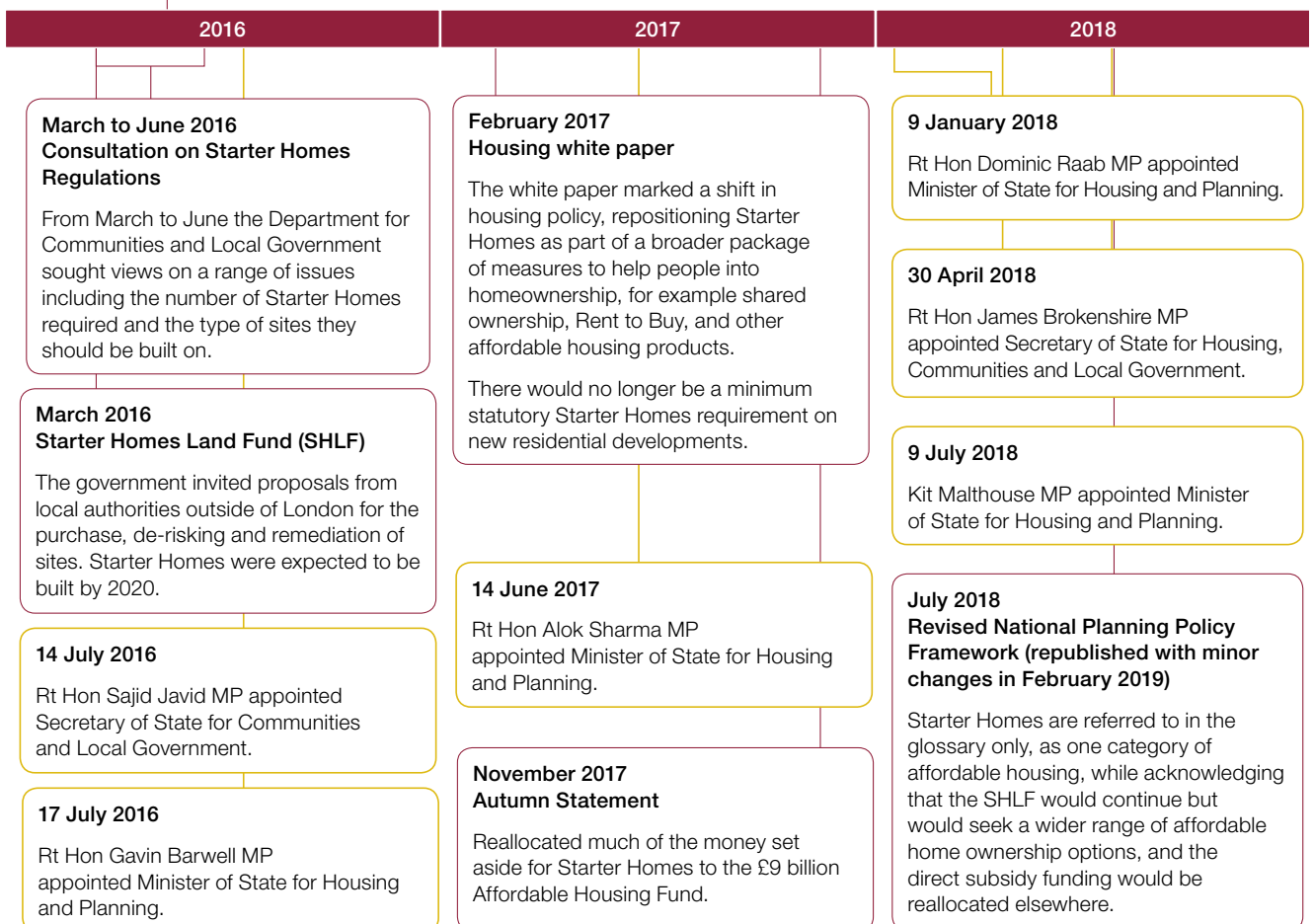


**May 2016****Housing and Planning Act (2016)**

Received Royal Assent on 12 May 2016.

Set out the legislative framework for Starter Homes:

- Homes to be sold at a minimum 20% discount from market value to qualifying first-time buyers aged 23–40.
- Maximum prices of £250,000 outside London and £450,000 in London.
- Provided for a restricted period in which people selling a Starter Home would either have to repay a portion of the discount or sell on to another qualifying first-time buyer at a discount.
- Prevented letting of Starter Homes.
- Placed a general duty on local authorities to promote Starter Homes.
- Empowered the Secretary of State to require specific local authorities to deliver a minimum number or proportion of Starter Homes on certain residential development sites.



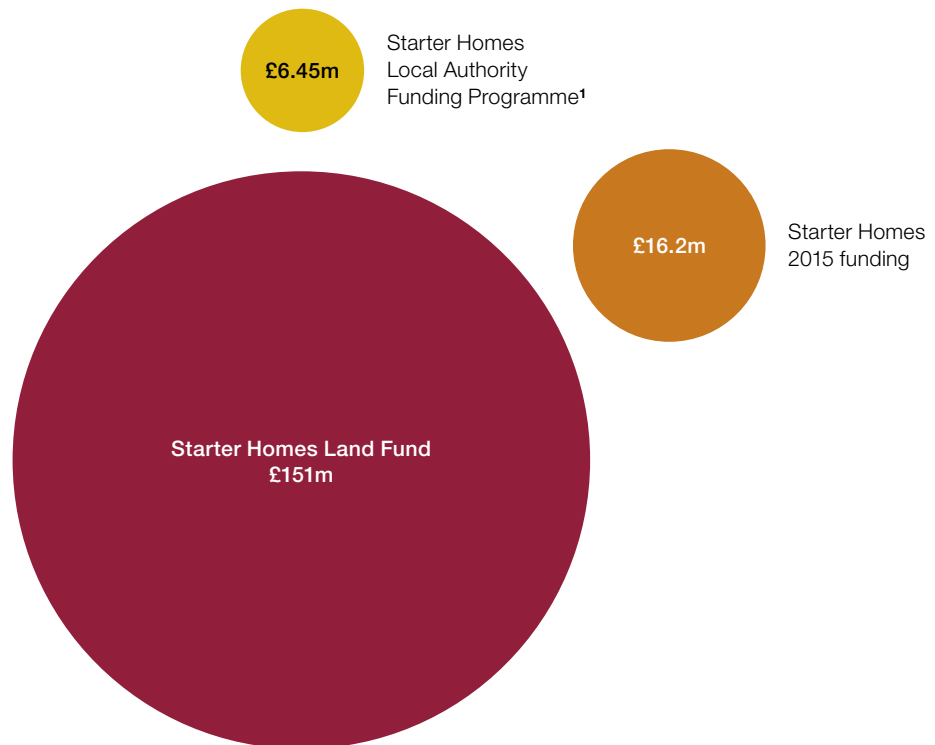
## Part Two

### Impact of the Ministry of Housing, Communities & Local Government's investment

**2.1** Since 2014-15, the Ministry of Housing, Communities & Local Government (the Department) and its agencies have financed preparations for Starter Homes through three main sources of funding (**Figure 4**).

**Figure 4**  
Spending to July 2019 on Starter Homes

Actual spend was less than the available funding from all three funding sources



**Note**

<sup>1</sup> Spending by the Greater London Authority is shown as part of the Starter Homes Local Authority Funding Programme.

Source: Ministry of Housing, Communities & Local Government



## Starter Homes 2015 funding

**2.2** In August 2015, the Department announced the first Starter Homes funding package of £26 million. The funding was to be used by the Homes and Communities Agency (now Homes England) to identify and purchase sites, particularly underused brownfield sites, and prepare them for Starter Homes to be started in 2016-17 and 2017-18. Money from the sale of these sites to developers would be returned to the Department.

**2.3** In 2015-16, Homes England spent £15.4 million of this funding on the acquisition of seven sites and the preparation and remediation of these and four existing sites, as well as changing planning consents to allow housebuilding on the sites (for example, changing planning permission from a commercial development to a residential one). The remaining £10.6 million was returned to HM Treasury at the end of 2015-16. The Department told us that the full funding was not spent because of difficulties identifying sites for purchase within the limited time available (August 2015 to March 2016).

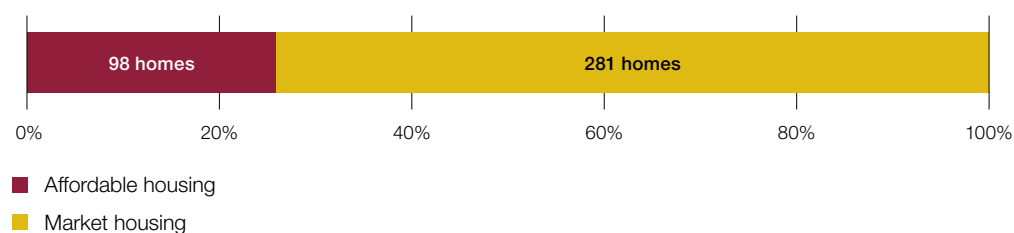
**2.4** Homes England told us that £16.2 million had been spent in total on land acquisition and remediation up to the end of July 2019, and that a further £0.5 million is forecast to be spent. The additional funding comes from the Starter Homes Land Fund (SHLF). This brings the total forecast spend on the sites acquired and remediated through the Starter Homes 2015 funding to £16.7 million.

**2.5** Homes England is forecasting that its total spending will result in 379 new homes. Only 26% of these new homes (98) are expected to meet the definition of affordable housing, with the remaining 281 expected to be sold at market rates (**Figure 5**).

**2.6** The Department is forecasting receipts of £8.5 million from the onward sale of the land purchased by Homes England. This would leave a net cost to the taxpayer of £8.2 million. At 31 March 2019, the Department had received £4.8 million of this expected income. Net of estimated receipts, Homes England's forecast spend equates to around £21,600 per home.

**Figure 5**  
Starter Homes 2015 funding

379 new homes expected in total



Source: Ministry of Housing, Communities & Local Government

## Starter Homes Local Authority Funding Programme

**2.7** In August 2015, the Department also announced a £10 million Starter Homes Local Authority Funding Programme (the Programme), for local authorities to prepare vacant and underused brownfield land for Starter Homes. In December 2015, the Department announced £7.2 million of successful bids, across 17 local authorities and in support of 471 planned Starter Homes.

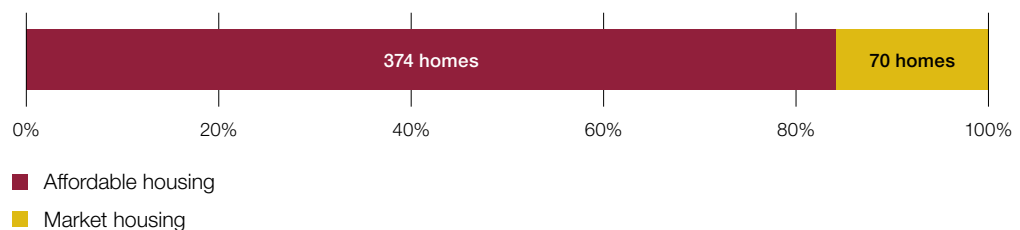
**2.8** Following the announcement in December 2015, detailed due diligence and negotiations took place between Homes England and local authorities on the grant funding agreements. During these negotiations, three local authorities withdrew their applications because their proposals did not fully meet the Programme’s criteria or timescales. Homes England ultimately awarded 19 grants to 14 local authorities, totalling £5.6 million. In addition, there was a separate bidding process run by the Greater London Authority (GLA) for London’s local authorities, with one successful bid from the London Borough of Barking and Dagenham of £0.85 million. The Department surrendered the unused funding of £3.55 million to HM Treasury at the end of 2015-16.

**2.9** The total Programme spend is therefore £6.45 million. The Department told us that local authorities used these funds to prepare brownfield land for development, including remediation, demolition, site investigation and ecological works. The spending did not directly support the development of Starter Homes because the legislative framework is not in place; however, the Department told us other affordable homes will be delivered in line with planning requirements.

**2.10** Current forecasts by local authorities indicate that the Programme will create 366 new homes outside London, of which 296 are expected to be affordable housing, and 78 in the London Borough of Barking and Dagenham, all of which are expected to be affordable housing. The total spend therefore equates to around £14,500 per home. Overall, 84% of homes built are expected to meet the definition of affordable housing (**Figure 6**).

**Figure 6**  
Starter Homes Local Authority Funding Programme

444 new homes expected in total



Source: Ministry of Housing, Communities & Local Government

## Starter Homes Land Fund

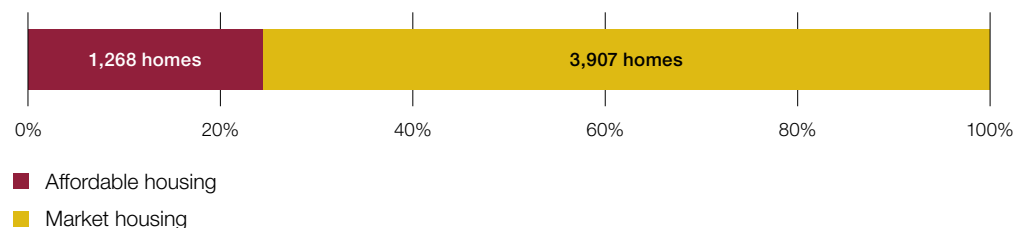
**2.11** The 2015 Autumn Budget announced £1.2 billion for the SHLF, a funding envelope that was intended to last multiple years. The aim of the SHLF was to support the acquisition and remediation of suitable land for Starter Homes developments that could then be built by developers by 2020. Over 2016-17 and 2017-18, the Department spent £151 million from the SHLF. Homes England spent a further £0.8 million from the SHLF on de-risking sites purchased through the original Starter Homes 2015 funding.

**2.12** The Department forecasts that the SHLF will create 5,175 new homes, a quarter (1,268) of which will meet the definition of affordable housing (**Figure 7**). However, without the necessary secondary legislation these homes cannot be marketed as Starter Homes.

**2.13** The SHLF ended in March 2018. By July 2019, the Department had spent a further £19 million on remediation of sites acquired under the SHLF, and forecasts that an additional £15 million will be spent on the sites before they are disposed of, with the funding drawn from the Single Land Programme and the Land Assembly Fund (LAF). The Department is forecasting receipts of £137.2 million from the onward sale of land purchased under the SHLF. This would leave a net cost to the taxpayer of £47.8 million. Net of estimated receipts, Homes England's forecast spend equates to around £9,200 per home. At 31 March 2019, the Department had received £8.9 million of this expected income.

**Figure 7**  
Starter Homes Land Fund

5,175 new homes expected in total



Source: Ministry of Housing, Communities & Local Government

## **Land Assembly Fund**

**2.14** The LAF is a programme distinct from Starter Homes with its own objectives but which builds on the experience gained from the SHLF. The LAF is used by Homes England (and, within London, the GLA) to acquire land needing work and to prepare it for the market, making it less risky for developers to invest in and start building.

**2.15** In 2017-18, the Department spent £97 million from the SHLF to support LAF acquisitions by Homes England. Homes England purchased four sites, on which it expects 4,583 homes to be built. The £97 million figure was included within the £250 million that the Minister of State for Housing and Planning stated had been spent from the SHLF in his response to a Parliamentary question in May 2018. However, it was not spend that was dedicated to the delivery of Starter Homes, but to the acquisition and assembly of land to support the provision of housing more generally, in accordance with LAF criteria.

**2.16** In 2018-19, following the creation of the LAF, Homes England spent £120 million acquiring 10 sites outside of London, and the GLA acquired three further sites in London. This spending was in preparation for a broader range of housing and not intended for Starter Homes. In addition, in 2018-19 Homes England spent £0.1 million from the LAF on the sites being prepared for building by local authorities through the Starter Homes Local Authority Funding Programme.

**2.17** The Department has not proposed numbers of affordable homes for the four sites purchased in 2017-18 as they are still subject to planning applications. However, Homes England aims to provide levels of affordable housing on all sites consistent with applicable housing policy, subject to the decisions of local planning authorities.

# Appendix One

## Our investigative approach

### Scope

**1** In 2018, the Ministry of Housing, Communities & Local Government (the Department) reported that the government had spent £250 million from the Starter Homes Land Fund (SHLF), but that no Starter Homes had been built. Following media articles that criticised the lack of progress made, we investigated progress against the government's previous commitments to build Starter Homes. Our report:

- charts the changes in Starter Homes policy and legislation from 2014 to date (Part One); and
- presents the achievements from funding allocated to, and actual spending on, Starter Homes to date (Part Two).

### Methods

**2** In examining these issues, we drew on a variety of evidence sources.

- We interviewed key individuals from the Department and Homes England. We followed up interviews with supplementary questions to which the Department and Homes England provided written responses.
- We reviewed relevant documents, statements and announcements by the government, the Department, Homes England and the Conservative Party, including: 2014 Conservative Party conference announcements; government consultation on Starter Homes *Stepping onto the property ladder* (December 2014); Written Ministerial Statement on Starter Homes in response to the consultation (March 2015); Conservative Party manifesto (April 2015); Productivity Plan (July 2015); Rural Productivity Plan (August 2015); Local authority funding pilots prospectus (October 2015); Spending Review and Autumn Statement (November 2015); Conservative Party manifesto (May 2017); Autumn Budget (November 2017); Draft revised National Planning Policy Framework (March 2018); Final revised National Planning Policy Framework (July 2018).

# Appendix Two

## Previous reports on housing

**1** In recent years the National Audit Office (NAO) has published a series of reports on housing in England, beginning with *Housing in England: Overview* in 2017.<sup>2</sup> Our report found that the need for housing in England had grown faster than supply, and housebuilding needed to increase across the country. In response, the Ministry of Housing, Communities & Local Government (the Department) set out a challenging ambition for 300,000 new homes a year from the mid-2020s, together with supporting infrastructure.

**2** In February 2019, we published *Planning for new homes*, which identified issues across the housing landscape, from the setting of the need for new homes, the reductions in local authority capability, to the under-performing Planning Inspectorate and failures in the system to ensure adequate contributions for infrastructure.<sup>3</sup> Given these problems, we were unable to conclude that the planning system at that time provided value for money in terms of delivering new homes effectively.

**3** In May 2019, we published our *Investigation into the government's land disposal strategy and programmes*.<sup>4</sup> The investigation found that the government is unlikely to meet its target to release sufficient public sector land to build 160,000 homes by 2020, but it does expect to achieve its target to raise £5 billion in proceeds by selling land and property. The government currently does not expect to reach the 160,000 target until after 2025.

**4** Most recently, in June 2019, we published *Help to Buy: Equity Loan scheme – progress review*.<sup>5</sup> We found that the Help to Buy scheme has increased home ownership, particularly for first-time buyers, and boosted housing supply. However, we found that around three-fifths of buyers could have bought a property without the support of the scheme. Some of the major developers now sell more than 40% of their properties through the scheme. The challenge now facing the Department is to wean the property market off the scheme with as little impact as possible on its ambition of creating 300,000 homes a year from the mid-2020s.

<sup>2</sup> Comptroller and Auditor General, *Housing in England: Overview*: Session 2016-17, HC 917, National Audit Office, January 2017.

<sup>3</sup> Comptroller and Auditor General, *Planning for new homes*, Session 2017–2019, HC 1923, National Audit Office, February 2019.

<sup>4</sup> Comptroller and Auditor General, *Investigation into the government's land disposal strategy and programmes*, Session 2017–2019, HC 2138, National Audit Office, May 2019.

<sup>5</sup> Comptroller and Auditor General, *Help to Buy: Equity Loan scheme – progress review*, Session 2017–2019, HC 2216, National Audit Office, June 2019.

5 In their June 2019 report *Planning and the broken housing market*, the Committee of Public Accounts found that the Department does not have detailed projections or plans on how it will achieve its target of 300,000 new homes per year.<sup>6</sup> The Committee also found that there was a lack of detailed rationale as to why this target was chosen in the first place. The Committee's September 2019 report, *Help to Buy: Equity loan scheme*, expressed concern that the Department does not have a clear plan for offsetting the drop in building expected when the Help to Buy scheme ends in March 2023, leading the Committee to reiterate its finding that the Department does not have an integrated and coherent plan for achieving its commitment to deliver 300,000 new homes per year.<sup>7</sup>

6 HC Committee of Public Accounts, *Planning and the broken housing market*, One Hundred and Third Report of Session 2017–2019, HC 1744, June 2019.

7 HC Committee of Public Accounts, *Help to Buy: Equity loan scheme*, One Hundred and Fourteenth Report of Session 2017–2019, HC 2046, September 2019.

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National Audit Office

Design and Production by NAO External Relations  
DP Ref: 007902-001

£10.00

ISBN 978-1-78604-285-9

