



*Housing & Planning
Delivery Grant (HPDG)
Consultation on allocation mechanism*



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PART A: Introduction

This part of the consultation document gives context for the proposed allocation mechanism in Part B. It recaps on the original rationale for the grant, how HPDG links to the Housing Green Paper, *Homes for the future*, and how the grant sits within the wider planning system.

Aim

1. The overall aim of the HPDG is to *incentivise local authorities to improve delivery of housing and other planning outcomes* as part of their strategic, place shaping role and to provide more support to communities and local councils who are doing their bit to deliver new homes.
2. The Government's target is to build 240,000 homes per year by 2016. *HPDG represents a key tool in achieving this as part of the range of measures set out in the recent Green Paper, Homes for the future¹.*

Background

3. HPDG derives from claims by local authorities that growth was inadequately recognised by the local government finance system and that in particular, "damping" in that system limited the extent to which the funding gains from growth came through to growing authorities. In her first Review, Kate Barker recommended an incentive scheme to raise delivery, which the Government accepted (2004, Rec.18).
4. The Barker analysis has since been underscored by the Lyons Inquiry into Local Government (2007, Chapter 9). HPDG is designed as an effective incentive, which as Sir Michael Lyons put it should "*provide space – at the margins, but with enough weight to change local government behaviours – to incentivise local government to grow their tax bases and crucially enable local communities to receive some reward for allowing their area to develop and grow*".
5. Sir Michael's description fits with the principles of HPDG:
 - Strengthen the incentive for local authorities to respond to local housing pressures by returning the benefits of growth to communities
 - Incentivise efficient and effective planning procedures
6. HPDG builds on from the existing Planning Delivery Grant (PDG), which has provided funding of £425m over the three years to 2007/08. Around half of PDG funding has incentivised improved performance in development control, with the rest being shared between smaller incentives on plan-making, housing delivery and a range of top-slices for planning support and advisory bodies.

¹ <http://www.communities.gov.uk/documents/housing/pdf/439986>

7. In future, funding for local authorities responsibilities on development control will be supported by proposed increases in planning fees, whilst planning support and advisory bodies will be funded through separate arrangements. HPDG funding, amounting to £510m over the three years to 2011, will go exclusively to local authorities and will focus on two areas: plan-making and housing delivery.
8. A summary of submissions to the original consultation can be found on the Department's website www.communities.gov.uk. Building on these views, and on comments received during our numerous stakeholder events around the country, this new paper invites views on our proposed detailed eligibility criteria and allocation mechanism.

HPDG and the Housing Green Paper

9. The recent Green Paper, *Homes for the future*, set out a wide range of measures by which the Government will work with partners and communities to deliver more and better homes. These include announcements on public sector land, improved design and more social and low-cost housing. HPDG should be seen in this wider context, as one part of a broader agenda. The Government has made announcements elsewhere on many of these issues. For example, on affordable housing the Government has announced new funding of £10.2bn for affordable housing, as well as around £1bn last week for HMR Pathfinders and £2bn for the ALMO project, making a total of more than £13bn for affordable housing in England².
10. A number of stakeholders have asked about using HPDG for infrastructure purposes. Whilst HPDG will be unringfenced and so can be used according to local priorities, it is not intended as an infrastructure fund and will operate in addition to infrastructure funding. The Government has set out the framework for infrastructure funding in the housing Green Paper, *Homes for the future*³, to ensure central departments adequately fund infrastructure to support housing growth. In addition, as part of the 2007 Comprehensive Spending Review, Communities and Local Government has announced £1.7bn funding for infrastructure funding in Growth Areas, the Thames Gateway, New Growth Points and Eco-towns⁴. The Government will legislate to empower Local Planning Authorities in England to apply new planning charges to new development, alongside negotiated contributions for site-specific matters. Charge income will be used entirely to fund the infrastructure identified through the development plan process and should include contributions towards the costs of infrastructure of regional or sub-regional importance.

Ensuring quality as well as quantity

11. The original consultation revealed a concern that the grant might incentivise inappropriate housing delivery – for example, by encouraging over-delivery of one-bedroom flats or new build in areas of constraint. We agree that this needs to be avoided and that HPDG needs to respect the primacy of the planning system, including the Regional Spatial Strategy (RSS) and PPS3.

² <http://www.communities.gov.uk/news/corporate/513236>

³ *Homes for the future: more affordable, more sustainable*, July 2007, <http://www.communities.gov.uk/documents/housing/pdf/439986>

⁴ 2007 Pre-Budget Report and Comprehensive Spending Review: Communities and Local Government, 9 October 2007, <http://www.communities.gov.uk/news/corporate/503118>

12. HPDG sits firmly in the context of this wider planning framework and needs to be seen in this light. It is the RSS process, local evidence of housing demand and need, policies in local Development Plan Documents and local authority leadership and decision-making that will determine the level, type and design of housing required for a given area, not HPDG. The grant will simply incentivise local areas to deliver against these once agreed.
13. In practice this means that first and foremost we would expect local authorities to carry out their place-shaping role duties responsibly in the interests of the whole community. We would not expect them to seek outcomes that are to the long-term detriment of the community simply for the sake of short-term grant. Planning authorities are under a statutory duty to determine planning applications in accordance with the development plan unless material considerations indicate otherwise. It is difficult to envisage any circumstance where HPDG could be regarded as a relevant material consideration.
14. In the consultation on HPDG we had proposed separate stretch or performance improvement elements. In response to concerns from consultees, we do not propose to include these. In addition, we are seeking views in this consultation document about developing a way to improve design quality, recognising that the grant provides a potentially valuable opportunity to encourage early improvements in the quality of housing provision in line with the advice set out in PPS3 (see Part C).
15. Local authorities will, of course, conduct self-review to ensure delivery is consistent with their statutory planning responsibilities. We do not anticipate HPDG will require any additional monitoring or provision for reporting or intervention over and above the present system under the local government performance framework. Any signs that actual delivery is significantly different from that indicated in plans – whether in quantity, type or design should initially be picked up and challenged by the Government Offices.

Evaluation and Audit

16. Once we have an agreed allocation mechanism, we will publish provisional allocations for each local authority. This will detail what figures we have used date to give authorities an opportunity to verify our data.
17. We will remain alert to any unintended consequences and will conduct an evaluation of HPDG after its first twelve months. Should any modifications to the eligibility criteria or allocation mechanism be necessary, we will present these in future consultations.
18. We propose that an audit of the information that local authorities provide will be undertaken to ensure that where assessments have been made they are robust and do not make assumptions that can not be delivered. This is specifically relevant to the 5 year supply of deliverable sites for housing and on aspects of delivering quality design.

PART B: the new grant

Housing and Planning Delivery Grant is designed to incentivise increased housing delivery and improved plan-making to address local needs. On that basis our proposed allocation mechanism for consists of two elements, one for housing delivery and one for planning. Additional criteria that could be developed over time for empty homes, surplus public sector land and design are discussed in Part C.

Fig. 1

Key differences between PDG and HPDG:

- Funding overall rises from £425m to £510m (respective three-year periods)
- The small housing element of PDG (£52.5m over three years) will expand sixfold (£316m over the three years).
- The plan-making element of PDG (£40.8m over three years) is expanded almost fivefold under HPDG (£194m over the three years).
- There will no longer be an award for performance on development control. However, there will be additional funding available to local authorities via the proposed increase in planning application fees.
- Rather than being split over a range of outcomes, HPDG will focus on the supply of additional housing and the provision of land for housing through the planning process
- The housing element of HPDG will be on a national basis, no longer restricted to the wider South East.
- Whereas 10% of PDG was top-sliced for planning advisory and support services, under HPDG local authorities will be the exclusive beneficiaries⁵.

19. Figure 2 (below) illustrates the eligibility criteria and allocation mechanism for HPDG. The key points are that all local planning authorities will be eligible to receive funding for plan-making; in addition, extra funding will be available to incentivise good delivery of local housing targets.

Fig. 2

Proposed HPDG	Planning Element (£194m)	Housing Element (£316m)
Eligibility	All planning authorities	Local authorities delivering housing at a level at least 0.75% of existing stock
Allocation	Reward for progress against delivery of sound plans and the delivery of land for housing -including ready to develop housing sites – in line with PPS3 (measured using the national indicator NI 159, supply of ready to develop housing sites)	One unit of grant being awarded for each net addition above 0.75% of existing stock (measured using the national indicator NI 154, net additional homes provided)

⁵ This includes the National Parks and the Boards Authority. Separate funding will be available for planning advisory and support services.

20. The focus of PDG was on delivering timely decisions on planning applications. There has been significant progress in this area with over 80% of local authorities meeting national targets compared to 20% five years ago. The shift away from development management targets does not mean that timely decision making is no longer a priority for Government and we are proposing to include an abatement of some HPDG payments in development control where performance falls below acceptable levels.
21. These changes also need to be seen in the context of the Department's recent consultation where we proposed to increase planning fees so that they covered the cost of providing the service. The proposals included a 23% increase in most fees paid by developers and a significant increase in the maximum fee (currently £50,000). We estimated that the full package would generate an addition £60m in fee income for local authorities from April 08 when any increases would take effect. Full details of the Planning White Paper consultations will be announced shortly.
22. The total funding for HPDG over the three years 2008-09/2010-11 will be £510m. Within this, funding will be front-ended towards planning and back-ended towards housing, in recognition of the deliverability timescales of plans and housing. It will be paid in two tranches, one for planning the other for housing. This is detailed below, with indicative funding levels shown in Figure 2 (page 6):

Fig. 3				
2008-09	Summer 2008	Provisional planning and housing allocations announced		
	Autumn 2008	Planning and housing allocations paid	£60m (P)	£40m (H)
2009-10	Summer 2009	Provisional planning and housing allocations announced		
	Autumn 2009	Planning and housing allocations paid	£72m (P)	£88m (H)
2010-11	Summer 2010	Provisional planning and housing allocations announced		
	Autumn 2010	Planning and housing allocations paid	£62m (P)	£188m (H)
Sub-totals			£194m	£316m
Total			£510m	

HPDG and two-tier areas

23. We propose that allocations from HPDG will be paid directly to the local planning authorities to whom it has been awarded (districts in two-tier areas although counties will be eligible for some of the plan making elements). This is important in ensuring a strong and direct link between local authority housing delivery and the incentive grant.
24. Whilst the Government's presumption is against allocating funding to local authorities as specific grants, HPDG is not suitable for allocation as a general grant (either Revenue Support Grant or the new Area Based Grant) because funding is dependent upon performance and it is therefore not possible to provide stable three year allocation profiles at the individual authority level. HPDG will therefore be paid as a specific grant under section 31 of the Local Government Act (2003).

The Planning Element

25. The Planning element of HPDG will be split across 3 components
- Assessment and delivery of land for housing over a 5 and 15 year timescale;
 - Delivery of “sound” DPDs; and
 - Delivery of “sound” DPDs and Strategic Housing Market Assessments through joint working.
26. The planning element of the Grant will be awarded to local planning authorities based on work undertaken during the previous financial year. This will mean that in the financial year 2008-2009 authorities will be rewarded for work undertaken for the period 1st April 2007 – 31st March 2008.
27. For measuring progress on the delivery of development plan documents, local authorities will be measured against the local development scheme which is in effect for the period from 1st April 2007.
28. Local authorities will be required to submit self assessments of work achieved for the previous financial year at the end of April each year to provide the necessary evidence for the planning element of HPDG. The information provided in self assessments will also inform the local planning authority’s annual monitoring report.

Part 1 – Assessment and identification of land for housing over a 5 and 15 year timescale 40% of the planning element

29. We propose that local authorities will be rewarded for maintaining on an annual basis a 5 year supply of deliverable sites for housing. Deliverable defined as suitable, available and achievable in line with PPS3. This will be measured through **NI 159, supply of ready to develop housing sites, which is part of the** National Indicator set and assessed in either a 5 year land availability assessment or contained within a Strategic Housing Land Assessment or Annual Monitoring Report.
30. Where local planning authorities have also identified a 15 years supply of land for housing which is deliverable, developable and/or in broad locations the grant reward for maintaining the 5 year supply of deliverable sites will be rewarded at an enhanced level. The demonstration of 15 years supply of housing land will be assessed through evidence provided in the Strategic Housing Land Assessments.
31. If a local planning authority has not identified a 15 year supply of housing land by the end of March 2010, authorities will not be eligible for this grant element.

Fig. 4

Requirement	% of planning element
Demonstration of 5 years supply of deliverable sites for housing in line with Communities and Local Government Advice Note.	40%
Demonstration of 5 years supply of deliverable sites for housing in line with Communities and Local Government Advice Note and demonstration of 15 years supply of housing land which is deliverable, developable and/or broad locations of housing sites. Grant rewarded at 1 and half times the demonstration of 5 years supply of deliverable sites.	
Total percentage of planning element	40%

Q1. Do you agree with the principle of rewarding a 5 year supply of deliverable sites for housing?

Q2. Do you agree with the principle of enhanced grant for demonstrating a 5 year supply of deliverable sites for housing where the authority has also identified 15 years of deliverable, developable and/or broad locations of housing sites?

Part 2 – Plan Making – 50% of the planning element

32. We propose that the plan-making element will be based on the delivery of Core Strategies and Development Plan Documents which allocate more than 2,000 dwellings.

Fig. 5

Eligible Development Plan Documents	% of planning element
Core Strategy (excluding minerals and waste)	48%
A non Core Strategy DPD which allocates sites for more than 2000 dwellings in total over the plan period.	
County Council Minerals and Waste Core Strategy	2%
Total percentage of planning element	50%

33. Local planning authorities will be able to claim for each of the eligible DPDs that commenced during the relevant year and for each of the stages completed by an eligible DPD in accordance with the table set out below. Where an authority has already adopted an eligible core strategy DPD in the first year of the grant the authority will qualify for the full baseline grant for a Core Strategy. Authorities will only be rewarded for strategic housing allocation DPDs where more than 2,000 dwellings are allocated on identified sites over the plan period within that DPD.

34. Unitary authorities preparing separate minerals and waste DPDs will not be eligible for a further element of core strategy grant.

35. Where an eligible DPD is not delivered in accordance with the Submission and Adoption milestones set out in the local development scheme in effect for relevant period, a reduced percentage of grant will be allocated. The percentages may change over the three year period to reflect the milestones which are planned to be achieved.

Fig. 6			
Development Plan Document Stage	On time	>35 & < 190 days late	>189 & < 365 days late
Pre Examination (Includes all work up to Submission)	£10,000 for core strategy or for a non core strategy DPD which allocates more than 2,000 dwellings.		
	Percentage of grant paid		
Submission	40%	25%	0%
Adoption	60%	35%	20%
Total award for DPDs	100%	60%	20%

Q3. Do you agree with the principle of rewarding local planning authorities for the delivery of priority Development Plan Documents?

Q4. Do you agree with reductions in the grant payable where delays occur to the delivery of the milestones for submission and adoption?

Part 3 – Joint Working – 10% of the planning element

36. A number of local planning authorities have elected to prepare joint planning documents, either through the establishment of a Joint Planning Committee under section 29 of the Planning and Compulsory Purchase Act 2004 (eg, North Northamptonshire), or through joint working under section 28 which allows authorities to prepare joint development plan documents. There are a number of benefits to joint working which include being able to plan spatially taking into consideration cross boundary issues; the ability to make best use of limited resources in terms of specialist advice, staff time and reducing the number of individual examinations.

37. We therefore propose to reward local authorities who are working jointly on the production of *any* development plan document under the provisions of the PCPA 2004.

38. We also propose to incentivise local authorities to work together to jointly publish Strategic Housing Market Assessments by March 2009. These must be prepared across sub-regions through Housing Market Partnerships and must provide evidence of need and demand across the sub-region.

39. The joint working component will be broken down as follows:

Fig. 7	
Requirement	% of planning element
Preparation of Joint Local Development Documents	6%
Preparation and publication of Strategic Housing Market Assessments that are produced in partnership across sub-regions.	4%
Total percentage of planning element	10%

Q5. Do you agree with the principle of rewarding joint working among local planning authorities?

Q6. Do you agree with the overall weighting of the planning element of HPDG, ie. 40% for the Assessment and identification of land for housing over a 5 and 15 year timescale, 50% for the delivery of development plan documents and 10% for joint working?

Part 4 – Abatement

40. We propose to consider the local planning authority planning service as a whole, having brought about significant improvements in development control under the Planning Delivery Grant.
41. To ensure that there continues to be an incentive to deliver on development control, we propose to include a mechanism to abate HPDG from the planning element for Plan Making where the performance of the development control service falls below any national planning standard included in **NI 157, processing of planning applications as measured against targets for ‘major’, ‘minor’ and ‘other’ application types**. This will ensure that local authorities are rewarded where they deliver across the whole of their service and not just those elements which are relevant to the allocation of HPDG grant.
42. The abatement will be triggered where under the new performance regime the local authority fails to deliver (x)%⁶ of major planning applications within 13 weeks and (x)% of minor and other planning applications taken together, within 8 weeks. The authority will be abated grant based upon work load in terms of the number of planning applications handled for the particular category as follows:

Fig. 8			
Major applications	Weighting	Minor & Other applications	Weighting
Less than 300	3	Less than 500	3
301 – 499	2	500 – 999	2
500 and above	1	1000 and above	1

⁶ The percentage will accord with the requirement set out in the National Performance Framework.

43. The abatement will be based on the cumulative score for majors and minor and other planning applications as follows:

Fig. 9	
Requirement	Abatement
Where the total weighting is one or 2 points	10% of total grant awarded
Where the total weighting is 3 or 4 points	15% of total grant awarded
Where the total weighting is 5 points or more	20% of total grant awarded

44. For 2007-2008 the trigger for the abatement will be based upon the BV109 indicator. The abatement will be triggered where the local authority fails to deliver 60% of major planning applications within 13 weeks and 65% of minor and 80% of other planning applications, within 8 weeks. Again the authority will be abated grant based upon work load in terms of number of applications handled for the particular category as indicated in Figure 8 (above).

Q7. Do you agree with the principle of abatement where performance on development control declines below national planning standards?

The Housing Element

45. The housing element will support local authorities to overcome the barriers to responding to local housing demand and will provide funding to them and their communities to support growth in their local areas. It will provide monies in addition to those received via the planning element.

46. If we are to meet the national target of 240,000 homes per year by 2016 and improve long-term affordability, more housing is needed throughout the country, delivered in a way that is sensitive to local needs. A key concern in the original HPDG consultation was over which authorities would be eligible. Many felt that our original proposal to base eligibility on the average level of affordability (lower-quartile prices as a multiple of lower-quartile earnings) would unfairly exclude a number of authorities. For example, this might exclude areas that have delivered well over recent years to keep their affordability level in check, including some authorities that have official growth status.

47. We agree that the housing element should in principle be available to all authorities, so that it supports those communities who want more houses, whilst also acting as a strong incentive for growth. On reflection, we agree that level of affordability would not be the best means of defining eligibility and we agree that the housing element of HDPG needs to be available to all local areas demonstrating ambitious housing delivery, even if their absolute numbers of net additions might be more modest compared to some larger areas. Communities everywhere should receive money in support of housing growth.

48. Therefore, we propose that in order to be eligible for the housing element, local authorities will need to demonstrate delivery of at least a minimum proportion of their existing stock: we propose that this should be at 0.75% of stock⁷, which we believe to be an achievable yet stretching ambition. Once eligible, allocation will be based on one unit of grant for each net additional dwelling beyond that same 0.75% point⁸. To avoid allocations being unreasonably impacted by annual peaks and troughs of delivery, we will take an average of their last three years' delivery figures (April-March).
49. The funding profile of each year's housing element (£40m in year one) will be divided by the sum total number of homes above each local authority's 0.75% delivery floor to provide the per-net additional level of grant. This will then be multiplied by the specific number of homes above the delivery floor for each individual authority to give individual allocations. Figure 9 illustrates this calculation.
50. The Government considered the option for rewarding local authorities for housing delivery against existing targets in current plans. However, we believe that this would not be equitable at this time, whilst local authorities are revising their targets via the Regional Spatial Strategy process. Many of the targets are currently out-of-date and so it would not be right to create a situation whereby those authorities with less ambitious targets received more reward via HPDG than those with more stretching and up-to-date targets.
51. The Government believes that the proposed model, based on percentage of net additions delivered against existing stock, is fair and equitable for all local authorities across the country. We believe that all authorities and communities who are committed to the need for more homes and want to deliver at a faster rate should get more support and receive funding via HPDG. Once targets have been updated and are in place, we will review the operation of the system to ensure that HPDG sits firmly within the context of the planning framework and the allocation process continues to be robust, fair and equitable.
52. The support to build more homes should be seen in the context of the Government's wider housing agenda and delivery against the recent Housing Green Paper, Homes for the Future. The Government believes that everyone should have the opportunity of a decent home at a price they can afford, in a place in which they want to live now and in the future, that promotes opportunity and a better quality of life in a secure and attractive environment. The Green paper set the housing challenges we face and the Government's proposals for addressing them. A long term gap between supply and demand for housing has led to high levels of house price inflation, with the result that many people who would like to access the housing market are unable to. Housing supply must be increased to address this. However, whilst more housing is needed, 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.

⁷ Stock data taken from the Housing Strategy Statistical Appendix, as reported by local authorities at 31st April each year.

⁸ Delivery figures will be the same figures reported by local authorities to their Regional Assembly, as captured in the national performance framework (NI 154).

53. The Government wants to support the building of homes where they are needed most, so we address imbalances in supply and demand. Therefore, we do not intend to support inappropriate housing delivery. Communities and Local Government will seek to ensure that HPDG does not support inappropriate housing growth in low demand areas via the checks in the planning system.
54. The Government is committed to evaluating the effectiveness and value for money of the allocation mechanism for HPDG. This evaluation will inform the Government's next Spending Review.

Q8. Do you agree with our proposed criteria for the housing element?

Fig. 10
<p>How the housing element will be allocated <i>(figures illustrative only)</i></p>
<p>All authorities Number of homes applicable for grant = total delivery above floor = 25,000 Unit grant = £40m/25,000 = £1,600</p>
<p>Authority A Delivers 1000 net additional homes (or 0.95% of existing stock) Existing stock = 100,000 Delivery floor (0.75% of stock) = 750 Number of homes applicable for grant = total delivery above floor = 250 Grant = 250 x unit grant = £400,000*</p>
<p>Authority B Delivers 350 net additional homes (or 0.8% of existing stock) Existing stock = 40,000 Delivery floor (0.75% of stock) = 300 Number of homes applicable for grant = total delivery above floor = 50 Grant = 50 x unit grant = £80,000*</p>

PART C: Additional Issues

As explained above, Housing and Planning Delivery Grant is designed principally to support raised housing delivery in response to local need. In addition, the grant offers potential to benefit in areas related to supply, namely design quality, empty homes and surplus public sector land. This part of the consultation document outlines possible ways we could develop HPDG over time to link into these policies areas. Some of these may not be possible in time for the first year of allocation nevertheless we would like views on these approaches. If approved for subsequent years, we will make further announcements in due course.

Design Quality

55. Feedback from the consultation on the principles of HPDG (2006) demonstrated that a number of respondents felt strongly that any support for increasing overall supply should be balanced with efforts to improve quality.
56. The Government agrees that quality must rise with quantity. Our aim is to eliminate poor development and to ensure that good and very good development is no longer the exception but the norm. Results from the Commission for Architecture and the Built Environment's most recent Housing Audit show that, across England, only 18% of new developments can be considered as 'good' or 'very good' quality. Of the remainder, CABE's audit considered that 29% were of such poor quality that they should not have been granted planning permission, or should have been subject to enforcement action for failing to meet agreed conditions.
57. We consider that the HPDG might provide an opportunity to help drive forward the design quality of new housing development, recognising that this can also support its main aim of increasing housing supply, both by improving the speed and consistency of decisions made on planning applications and by demonstrating the positive benefits that new development can bring when it is of high quality.
58. We are seeking views in this consultation on whether there is support for including design quality in HPDG. This could work through an assessment of the quality of built-out schemes and/or an examination of the steps that local authorities have taken to put in place the skills and knowledge needed to make robust decisions about the design elements of planning applications. Should there be support for such an approach, we will consider its viability further and consult again on the details of a quality element if appropriate.
59. We are also seeking views in this consultation as to whether we should be supporting the building of more family homes and awarding different amounts of grant for different types of home – for example, whether a local authority should receive a higher proportion of grant if it delivers 1,000 4 bed homes instead of 1,000 1 and 2 bed flats. The Government is keen to ensure that we build more family homes and should there be support for such an approach in incentivising their delivery, we will consider including this as part of the allocation mechanism.
60. Any future funding allocated against design criteria will come from within the funding set out in the table on page 6.

Q9. In principle, do you think Housing and Planning Delivery Grant should be used to support improvements in design quality?

Q10. Do you have any views on how the in the process could work in practice?

Q11. Do you have any views as to whether Housing and Planning Delivery Grant should be incentivising delivery of family homes?

Empty Homes

61. Many respondents to the first consultation on HPDG suggested that any incentive to increase housing supply should ensure that local authorities make best use made of existing stock, particularly empty homes, rather than just new build or conversions. We recognise the argument made by many respondents in the first consultation that bringing empty properties into housing use increases the supply of housing in the same way as building new homes.
62. There are around 290,000 long-term empty homes in England, some of which lie in areas of high housing demand e.g. 25,700 in the East of England Region, 32,600 in the South East of England and 36,100 in London. We agree that in principle HPDG should aim to incentivise increased supply rather than specifically increased new build and would like to see if it can be used to increase the number of empty properties local authorities bring back into use, currently around 20,000 per year.
63. Due to data difficulties, it would be problematic to allocate funding on the basis of empty homes brought back into use. However, we would still wish to explore how HPDG might be used to incentivise local authority performance in this area. We will require local authorities to have put in place an effective empty homes strategy to be eligible for grant.

Q12. Do you agree that an added eligibility criterion on empty homes would be useful and effective?

Q13. Are there other ways we might incentivise the bringing back into use of empty homes through HPDG?

Surplus Public Sector Land

64. The recent Housing Green Paper, *Homes for the future*, set out the Government's ambition to deliver 200,000 new homes on surplus land held by central departments and their agencies. An important tool in achieving this will be the Register of Surplus Sector Land (the Register), which is being extended to cover all sites for disposal by central Government organisations.
65. The Register provides a single reference point for all participating public sector bodies on the available national supply of surplus public sector land. This provides a single point for developers to identify potential land and helps ensure that that housing needs are factored into land disposals decisions.

66. Encouraging local authorities to register their surplus land on the Register was one of the recommendations of the Surplus Public Sector Land Taskforce. This involves placing details of their unused or vacant sites on the Register before they are marketed in order to maximise exposure to potential buyers. This would apply only to land due to be marketed by local authorities.
67. One way of incentivising local authorities to use the Register is to make registration an eligibility criterion for receiving HPDG. This would be monitored by auditing a sample of local authority sites during a financial year considered. Local authorities registering land will need to enter into a Service Level Agreement (SLA) agreeing to the terms and condition for use of the Register with OGC.
68. Assessments would be undertaken by the relevant English Partnerships regional team at the end of each financial year. They would submit returns to EP central who will collate all the returns to send to Communities and Local Government for assessment. Where no sites have been placed on the Register during the financial year by a user authority they will not be eligible for HPDG.

Q14. Do you agree that including registration of local surplus public sector land as an eligibility criterion would be a useful and effective incentive?

We invite responses to this consultation by 17th January 2008. You can respond online at www.communities.gov.uk/publications/housing/deliverygrantallocation

Or via Mr Junaid Tamimu at: Junaid.tamimu@communities.gsi.gov.uk

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