By email: pubaccom@parliament.uk

Meg Hillier MP
Chair
Public Accounts Committee

12 Mar 2019

Dear Meg,

**PAC 25 February 2019 – Response to Homes for Staff query**

At the evidence session held on 25 February 2019, I undertook to write to you to provide some additional information on affordable housing for NHS staff.

The Department recognises that the cost of housing can be an important issue for NHS staff and one of a number of factors contributing to recruitment and retention challenges for NHS providers, particularly in certain parts of the country. The NHS Long Term Plan sets out a vital strategic framework to ensure that over the next ten years the NHS will have the staff that it needs, and that staff are supported, valued and empowered in their roles.

Following the 2017 Autumn Budget and under the Government’s Public Land for Housing programme, the Department has challenging targets to generate £3.3bn for reinvestment in the NHS and capacity for 26,000 homes from the disposal of assets. Most of the land is owned by individual NHS trusts and foundation trusts, with some also owned by NHS Property Services - a company owned wholly by the Department. The Department and our partners - including NHS Improvement and the Strategic Estates Planning team (a joint NHS England/ NHS Improvement function) - support NHS land owners to dispose of surplus land, often to generate housing. NHS land owners are expected to sell land only when it is not required for future NHS use, and to achieve best value on any sales.

In order to help NHS staff access affordable housing, the Government announced in autumn 2017 an expectation that NHS staff will be offered first refusal on affordable housing built on land sold by the NHS. The Government has an ambition to benefit up to 3,000 staff. Some important elements of the policy are as follows:

- NHS land owners – who are best placed to understand their staff needs – are responsible for implementation, working with local planning authorities, developers and other local partners.
• The intention is to balance the objective of delivering affordable homes for staff with the Department’s target to generate disposal receipts to reinvest in the NHS estate. To this end, the expectation is that the number of affordable homes should be determined by existing local affordable housing requirements set by local authorities, which NHS providers are already expected to deliver on their land.

• The policy aligns with the national planning system. Following revisions made by the Government last year, the definition of affordable housing in the National Planning Policy Framework (NPPF) includes affordable housing for NHS staff.

• The scope covers the full spectrum of affordable housing as defined in the NPPF. This ranges from social rented housing to low cost homes for ownership.

The Department has in place a range of actions to implement the policy, working with national NHS partners. It has included delivery of the policy in the conditions attached to STP transformation funding; is supporting trusts locally via a national team of estate specialists; and is working with One Public Estate and the Greater London Authority to support some specific initiatives in London. NHS Property Services are also playing an important role. They have been closely involved in developing support for providers and are working with the Department on how they can deliver the policy through their own land disposals.

The Department is monitoring implementation. To date, there has been a commitment to offer NHS staff first refusal on a total of several hundred affordable homes across a number of disposals, and discussions are ongoing with a number of NHS trusts about implementing the policy elsewhere.

Yours sincerely,

DAVID WILLIAMS
DIRECTOR GENERAL, FINANCE/CHIEF OPERATING OFFICER