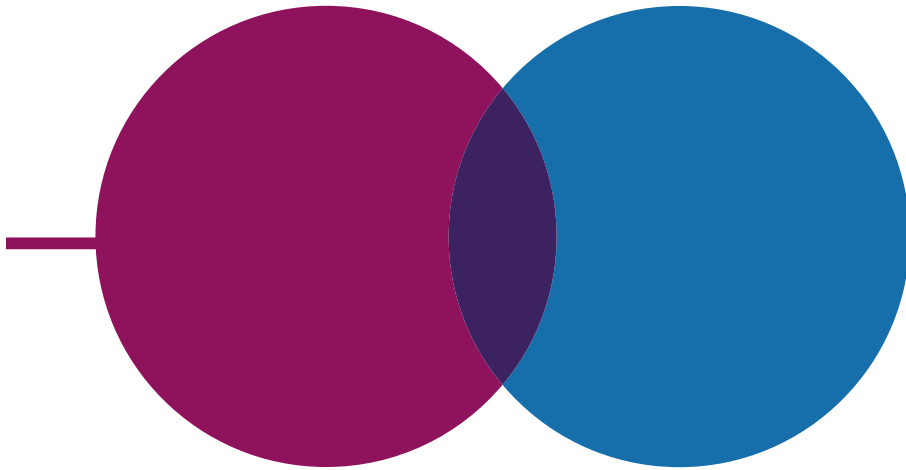


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National Audit Office



REPORT

Unlocking land for housing

Ministry of Housing, Communities & Local Government

SESSION 2024–2026
11 FEBRUARY 2026
HC 1645



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Unlocking land for housing

Ministry of Housing, Communities & Local Government

Report by the Comptroller and Auditor General

Ordered by the House of Commons
to be printed on 9 February 2026

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of Commons in accordance with Section 9 of the Act

Gareth Davies
Comptroller and Auditor General
National Audit Office

3 February 2026

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Key facts

£21bn

amount of funding the Ministry of Housing, Communities & Local Government (MHCLG) has committed to the National Housing Delivery Fund (NHDF)

1 April 2026

date when MHCLG is expecting its new NHDF and National Housing Bank to be operational

Unlocking land programmes

where MHCLG, Homes England and other delivery partners intervene to remove barriers that mean land is not profitable or attractive enough for the market to develop without government help

Current programmes

£10.5 billion

amount MHCLG has allocated to its unlocking land programmes between 2016-17 and 2025-26, £8.4 billion of which has been committed to projects, and £5.7 billion spent by September 2025

713,000

number of homes MHCLG currently expects will be built on sites prepared by its unlocking land programmes; it has signed contracts to prepare land for 630,000 of these

768

unlocking land projects funded since 2016-17, of which 141 have completed. MHCLG expects all projects to complete spending of their funds for unlocking work by 2034, with subsequent housebuilding continuing until 2050

NHDF context

1.5 million

the government’s target for the number of homes to be built within the current Parliament by July 2029

£16 billion

resources announced for the new National Housing Bank; this includes:

- £10.5 billion of investment capital; and
- £5.5 billion for housing guarantees;

concluding the £21 billion of resources announced for the NHDF is up to £5 billion of grant funding to be delivered by Homes England and other delivery partners. MHCLG expects the scope of NHDF spending to be broader than unlocking land programmes alone

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Summary

Introduction

1 The government has set a milestone to deliver 1.5 million new homes over this Parliament to July 2029. This will require building more than 300,000 homes per annum on average, a level of housebuilding that was last achieved in the 1960s. The government says a chronic undersupply of land underpins the housing crisis. It believes there is suitable land in England for housebuilding that is not being developed by the market as it is not profitable or attractive enough for developers to build on in its current form. This can be due to factors such as the need for remediation work, a lack of infrastructure such as roads, or pieces of land making up a site being owned by different people or companies.

2 The Ministry for Housing, Communities & Local Government (MHCLG) aims to address these market failures, boost the supply of land for housing development and ultimately increase the supply of housing via several ‘unlocking land’ programmes. These programmes include providing grant funding, recoverable loans, acquiring land and providing capacity support. MHCLG is accountable for the support delivered by its delivery partners: Homes England (the government’s housing and regeneration agency in England), One Public Estate (a partnership between the Cabinet Office, the Local Government Association and MHCLG), the Greater London Authority and mayoral strategic authorities.¹

3 MHCLG plans to launch the National Housing Delivery Fund (NHDF), from 1 April 2026. The NHDF will comprise grant funding to be delivered by Homes England and other partners, and financial transactions such as loans and investments delivered through a new National Housing Bank (the Bank) created as a subsidiary of Homes England. MHCLG expects both the NHDF and the Bank will support wider activity beyond the scope of the unlocking land programmes that are the focus of this report. We refer to the grant funding and the Bank collectively as the NHDF.

¹ *The English Devolution White Paper, 2024*, says that the terms ‘strategic authority’, ‘mayoral strategic authority’ and ‘established mayoral strategic authority’ will replace ‘mayoral combined authorities’ and ‘mayoral combined county authorities’. We use the new terms in the report. A combined authority is a legal body that enables a group of two or more councils to collaborate and take collective decisions across council boundaries.

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Scope of the report

4 This report assesses whether MHCLG's programmes to increase the supply of suitable land for housing development are effectively supporting the government's ambitions to build the right homes in the right places. These programmes include activities such as capacity support, funding for infrastructure, land assembly, or viability gap funding; they are aimed at 'unlocking' sites. It examines whether MHCLG:

- has unlocked land to deliver the right homes in the right places;
- is learning and innovating to improve the productivity of its land unlocking programmes; and
- alongside Homes England, is putting in place an approach to unlock the right land in the right places to support future housing targets.

5 This report focuses on existing programmes that most closely support the government's interventions that help unlock land for new homes in England. The report also considers the opportunities MHCLG has as it develops plans for the NHDF. We do not comment on other issues relating to housing delivery.

Key findings

Government interventions

6 Since 2016, MHCLG has used a range of individual programmes to unlock land across sites in England. Land suitable for housing may remain undeveloped because it is not sufficiently profitable or attractive enough for developers. This land is known as 'locked'. To unlock or accelerate the delivery of new homes, MHCLG has developed several unlocking land programmes intended to correct individual market failures. The programmes include a mix of grant expenditure and recoverable 'financial transactions' such as loans and investments, for example (paragraphs 1.3 to 1.6, and Figures 1, 2 and 3):

- large grants to local authorities for major infrastructure such as new roads;
- grants and repayable loans to private sector developers;
- equity investments where Homes England takes part ownership of a project;
- buying up land for remediation and onward sale to developers; and
- small grants to local authorities to help remediate sites for development.

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7 MHCLG plans to launch a National Housing Delivery Fund (NHDF) from 1 April 2026, which will combine and continue the work of MHCLG's previous programmes for unlocking land. MHCLG says the NHDF will provide certainty for longer-term funding support, reduce complexity for fund recipients and increase efficiency for the government. MHCLG expects the NHDF will focus on sites that can deliver new homes quickly and will increasingly use equity investments and guarantees to encourage more private investment into places where the market is not currently providing finance. This focus is described in the Homes England Investment Roadmap published in December 2025 that sets out an emphasis on maximising delivery of new homes and communities now. Subject to final agreement with HM Treasury, MHCLG expects the NHDF to comprise £5 billion of grant funding and £16 billion of financial transactions such as loans, investments and guarantees provided by a new National Housing Bank. The remit of the NHDF will include activity beyond unlocking land programmes, including support for social housing providers and small housebuilders. Projects under existing grant programmes for unlocking land are expected to draw on resources from the NHDF. As such, it is not known how much future funding will be available for the types of unlocking land activity examined in this report (paragraphs 1.7 and 3.9 to 3.12).

Progress to date

8 MHCLG has allocated £10.5 billion to its unlocking land programmes since 2016-17, which it intends will provide sufficient land to build around 713,000 homes. This funding has supported work on 768 sites at September 2025. While 20 projects are receiving over £100 million, 410 are receiving less than £1 million. The capacity for new homes on these sites ranged from 1 to 16,500. MHCLG's funding has supported projects across all regions of England. At September 2025 the South East had been allocated £1.9 billion, while the North East has been allocated £289 million (paragraphs 2.2 and 2.6 to 2.7, and Figures 4 and 9).

9 MHCLG-funded work has completed on just over 140 out of 768 of MHCLG's unlocking land projects, with remaining projects likely to continue until 2034. Unlocking land and building homes takes a long time. Of the projects funded by MHCLG's programmes that launched prior to 2021, 128 (36%) have completed spending on unlocking land works, while 13 projects (3%) funded by MHCLG's programmes since 2021 have completed spending on unlocking works to date. On these sites, MHCLG's spending has completed, but the sites may not be fully unlocked and ready for housebuilding, as MHCLG funds may only have supported part of the activity or may have been designed to help encourage others to invest in the site in order to fully unlock it. MHCLG currently expects almost all projects under its earlier programmes to spend their funding for unlocking work ready to support housebuilding by March 2028 and its later programmes by March 2034, meaning many projects' unlocking work will continue beyond the launch of the new NHDF. The building of homes on these sites is expected to continue for many years after unlocking work finishes, with the last sites not expected to finish housebuilding until 2050 (paragraphs 1.6, 2.3 and 2.8, and Figure 8).

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10 As at September 2025, MHCLG, Homes England and their delivery partners had agreed contracts for projects expected to provide suitable land for 630,000 of their overall estimates of 713,000 homes. MHCLG aims to unlock capacity for ‘additional’ homes that would never have been built by the market alone, and also ‘accelerate’ housebuilding on sites where the market may have built alone but would have taken longer to do so. MHCLG estimates the number of new homes its funding will support at the time contracts are signed – but before any work has begun on site – based on factors such as site size and planning expectations. This estimate is likely to change as the development progresses; however, it does not publish a revised measure of the final capacity for homes after projects have completed (paragraphs 2.4 and 2.9).

11 As at September 2025, MHCLG has data to show that over 33,000 homes are now complete on land it helped unlock. Delivery of new homes is one of the key long-term outcomes MHCLG expects from its financial support for unlocking land. MHCLG and Homes England have data on the number of new homes built on land unlocked by the majority of its programmes. Local authorities who have been supported by their programmes on specific sites are reporting 30,510 homes complete, with a further 2,800 on land owned by Homes England and where it retains control of the development. However, MHCLG did not set out to track how many homes have been built on land unlocked by the two Home Building Funds and the Brownfield, Infrastructure and Land Fund (BIL) but is now working with Homes England to do so on these funds. While these three funds represent 12% of unlocking projects, they account for around half of intended housing capacity across all programmes.

- The two Home Building Funds, which are expected to deliver 268,000 homes over their lifetime.
- The Brownfield, Infrastructure and Land Fund, which is expected to deliver 85,000 homes over its lifetime.

The NHDF will provide an opportunity for MHCLG to develop, with Homes England and other delivery partners, a set of harmonised and defined metrics to capture data about the subsequent delivery of homes on land unlocked with government funds in a timely way (paragraphs 2.10 to 2.12 and Figure 4).

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Factors for success of the NHDF

12 MHCLG is designing the NHDF so it builds on lessons from previous programmes to improve the efficiency of programme management and impact.

MHCLG learned lessons from its early programmes using formal evaluation and continuous learning. After encountering difficulties with the Housing Infrastructure Fund, a large-scale grant programme launched in 2017, MHCLG and Homes England applied lessons to the development of later programmes. This included improving visibility of upcoming projects through enhanced engagement with local areas, using a continuous engagement approach instead of competitive bidding windows, and providing more flexible funding options. These changes helped ensure that projects that were realistic and ready to start were put forward for support, and that the right financial support was available. MHCLG also revised the assessment criteria to give more weight to non-monetisable benefits such as public health, transport, and labour market improvements. The NHDF will build on these lessons and introduce a single point of entry, providing access to the full breadth of financial interventions MHCLG has available (paragraphs 3.2 to 3.8).

13 The NHDF provides an opportunity for MHCLG and Homes England to review and clarify their approach to risk to ensure a better balance of risk and reward across projects to improve overall outcomes.

The NHDF will operate as a single fund providing scope for MHCLG and Homes England to balance higher and lower risk projects across a large portfolio, unlike the current separate programmes. MHCLG expects each delivery partner to maintain a single pipeline for the NHDF and for Homes England to apply continuous market engagement to the projects it administers. Evaluations have highlighted the risk that this approach may favour approval of the most developed and deliverable projects rather than the most impactful. MHCLG will need to work with Homes England and its other delivery partners to understand their project pipelines and maximise the opportunity to identify potentially higher risk, higher-reward projects as they emerge and bring those opportunities forward. MHCLG is developing an approach to risk management that will take account of the individual projects, the programmes and overall portfolio and the multi-party delivery of the NHDF. In addition, the NHDF provides an opportunity for MHCLG and Homes England to align on a common risk language across the NHDF and embed it in how they manage projects (paragraphs 3.9 and 4.5 to 4.7).

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14 The NHDF provides MHCLG and Homes England with the opportunity to set out where they intend to deploy the NHDF's funding to maximise its impact. To date MHCLG has taken various approaches, driven by shifting policy priorities, to where it invests unlocking land funds. Frequent changes reduce confidence in the sector and risks wasting applicants' efforts in developing plans that are unlikely to be supported. These approaches have included focusing on areas of high housing and land costs, priority locations, and regional distributions for different funds. In recent years, Homes England has responded to local government devolution by developing strategic place partnerships with mayoral strategic authorities. Homes England is developing an investment strategy that would set out the investment themes, principles, priorities and products for the NHDF and National Housing Bank. The first part of this strategy was the Homes England Investment Roadmap it published in December 2025. The long-term nature of the NHDF and the move to a regional structure in Homes England give it and MHCLG the opportunity to set out what type of projects they will support and where they will seek to invest (paragraphs 4.8 to 4.12).

15 The NHDF provides an opportunity to develop and share an understanding of what interventions deliver the outcomes the government and local areas require. Early process evaluations of the current programmes are helping shape the design of the NHDF. However, the NHDF will launch before the outcomes of previous programmes have been fully evaluated. In addition, existing evaluations will focus on the individual programmes and will assess whether the impacts have been delivered in line with each programme's theories of change. As MHCLG, Homes England and other delivery partners start delivering the NHDF, they have an opportunity to capture and share practical lessons on what interventions deliver unlocked land and new homes quickly, while delivering value for money. Such lessons can support and refine a theory of change covering the range of priorities and interventions the NHDF may contain (paragraphs 4.13 to 4.15).

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Conclusion on value for money

16 Since 2016-17, the Ministry for Housing, Communities & Local Government (MHCLG) has allocated £10.5 billion of funding to unlock land for housing, through a variety of programmes that utilise different funding types, including grants, loans and equity investments. MHCLG expects that this funding will have been spent on unlocking land by March 2034. This land will provide the capacity for building 713,000 homes, with homes expected to be built on this land for decades to come. MHCLG monitors the status of unlocking land activity for the projects it helps fund, it also knows how many homes have been built by housing developers on the land it has helped to unlock across the majority of its funds. However, it did not set out to track how many homes have been built on land unlocked by the Home Building Funds and the Brownfield, Infrastructure and Land Fund but is now working with Homes England to do so on these funds. To be able to fully demonstrate value for money on these programmes, MHCLG needs to continue to monitor housebuilding over the long term and should consider what further measures it can take to embed monitoring of housebuilding across all its programmes.

17 MHCLG and Homes England have ongoing evaluations and have drawn on an understanding of what works in their existing programmes to evolve their intervention strategies. Efforts include implementing ongoing engagement instead of set bidding periods, maintaining continuous pipelines of projects, and offering a more flexible mix of funding options. It has also revised its assessment criteria to better account for non-monetisable benefits to facilitate more investment in areas of lower land values.

18 MHCLG aims to establish the new National Housing Delivery Fund to bring together all the funding for unlocking land and set up a housing bank, as a subsidiary of Homes England, from 1 April 2026. To be able to demonstrate value for money and be successful, MHCLG will need to swiftly build on the work it has started and set out its long-term ambitions, provide clarity about its investment priorities to the market and decision-makers in local authorities, and to have a clear articulation and management of risk.

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Recommendations

Ensuring value for money from existing projects

- a** To ensure that the existing legacy programmes deliver the greatest strategic benefit, MHCLG, Homes England and other delivery partners should work together to develop a combined portfolio view of legacy projects where the greatest strategic benefits remain at risk. Having done this, MHCLG should ensure that Homes England provides appropriate support and troubleshooting capability to support these projects to deliver their intended objectives, at the same time as launching new projects through the National Housing Delivery Fund.

Supporting the success of the National Housing Delivery Fund

- b** To provide transparency to delivery partners and fund recipients about what the NHDF is trying to achieve, MHCLG should set out the impacts it expects for the NHDF that reflect the range of interventions and funding sources available. This should include:
 - setting out and agreeing an approach to performance measurement with its delivery partners that will provide timely data on both progress of unlocking land and subsequent delivery of new homes on new projects and active legacy projects; and
 - to understand the delivery of new homes, considering whether proxy measures such as mapping data, energy performance certificates or building control completions provide sufficient assurance while managing the burden of reporting on developers.
- c** As the outcomes from unlocking land activity can take many years to deliver, MHCLG should put in place evaluation and monitoring that provides timely evidence from both its legacy projects and the early implementation of the NHDF to inform its understanding of the likely outcome of its interventions.
- d** As the NHDF is developed and refined, MHCLG should set out how it will prioritise its funding objectives and maximise its engagement with the new and emerging local government landscape. This will inevitably result in places that are less likely to be supported through the NHDF. MHCLG must therefore be transparent about what and where its priorities are and the opportunities and support that exists for non-priority locations to bring forward their projects.
- e** As part of its governance system, MHCLG should adopt a clearly articulated risk appetite across the NHDF's range of potential interventions. This should help support consistent and deliberate consideration of risks and opportunities in decision making at a portfolio level. Expressions of risk appetite and tolerance should be shared across MHCLG, Homes England and other delivery partners.

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Part One

Unlocking land for housing

1.1 This part sets out:

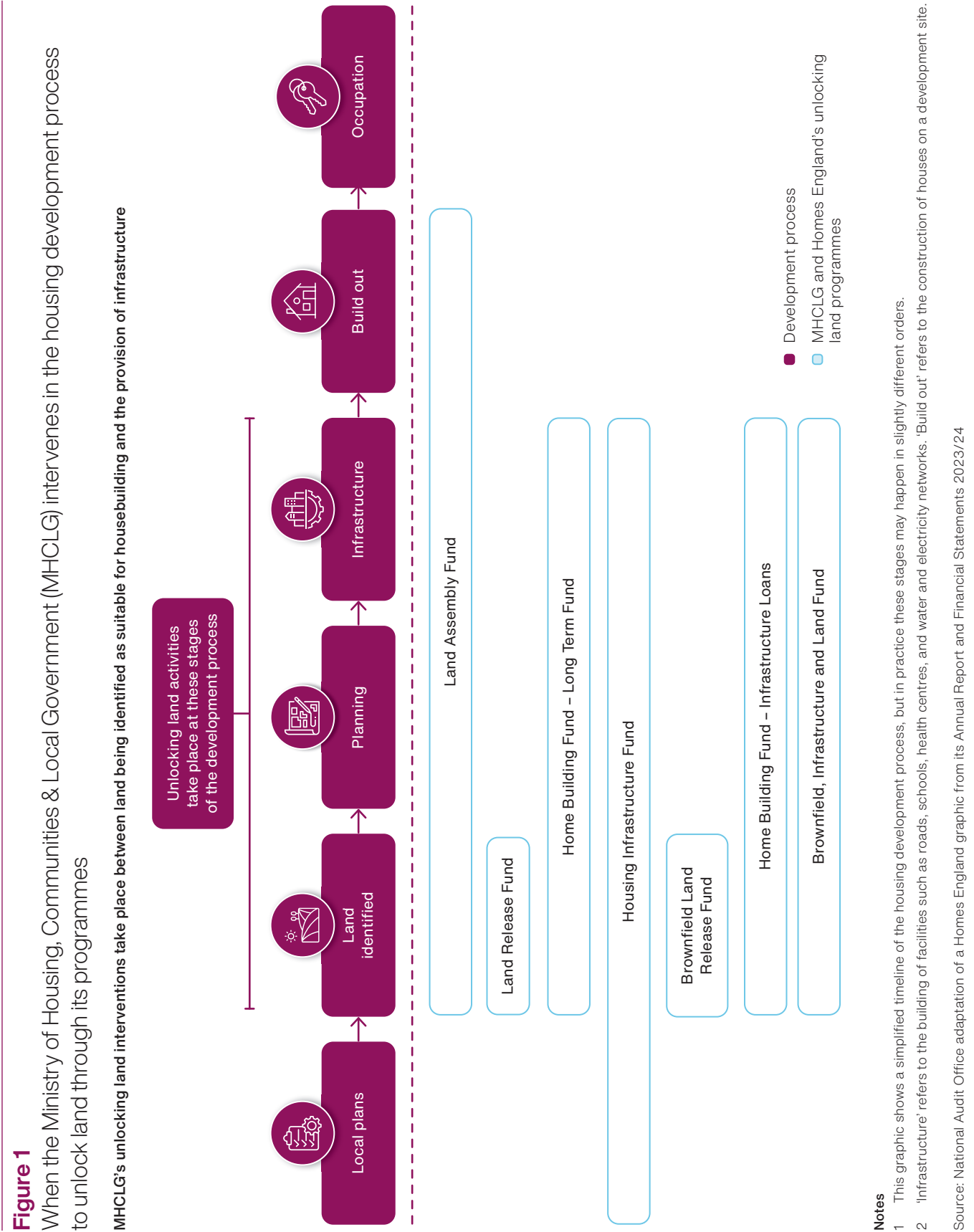
- the rationale for government support in unlocking land for housebuilding;
- the types of support the Ministry of Housing, Communities & Local Government (MHCLG) has provided to date; and
- the government's plans for the National Housing Delivery Fund (NHDF).

Rationale for government support

1.2 There are challenges at all stages of housing delivery. This includes ensuring a site is sufficiently profitable and attractive enough for developers to build homes on, that planning permission can be agreed, and that homes can be built in a timely fashion. To help tackle the first of these issues and support the delivery of new homes at pace, the government has developed programmes that can intervene on individual sites (**Figure 1** overleaf).

1.3 Land which is suitable for housing development but which is not being developed by the market due to lack of profitability or attractiveness is referred to as 'locked'. We heard from local authorities that land can be locked because it needs costly investigation or remedial work, such as removing old buildings or contaminated material, or there is a lack of roads to access the site or utilities to support housing. It could also be because it may need agreement of multiple landowners to work together to get the land ready for housing development.

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1.4 MHCLG's unlocking land programmes aim to help correct these market failures in the short term on individual projects, but do not aim to solve the systematic market failures restricting suitable land supply for housing. The programmes may allow homes to be built that the market would never have provided on its own, or its work may help accelerate the delivery of homes so they are available sooner. Its activities include:

- work to enable land to get planning permission;
- providing capacity support to help local authorities develop their plans;
- providing funding for the public and private sector for infrastructure provision, such as building new roads;
- providing funding for remedial work such as demolition of buildings;
- assembling separate land parcels into a single larger site; and
- providing funding to directly address viability or support cash flow for developers.

Government support for unlocking land

Types of support for unlocking land

1.5 Unlocking land activity is site-specific and is not designed to systematically address all sites in the same way. MHCLG has used different approaches since 2016 to tackle different aspects of market failure. Support includes a mix of grant expenditure and recoverable 'financial transactions' such as loans and investments (**Figure 2** overleaf), for example:

- large grants to local authorities for major infrastructure such as new roads;
- grants and repayable loans to private sector developers to, for example, support cash flow in the early stage of a project;
- equity investments to, for example, create a joint venture with lenders and developers to unlock portfolios of sites;
- buying up land for remediation and onward sale; and
- small grants to local authorities to help remediate sites for development.

Alongside this financial support, we also heard examples from local authorities of welcome capacity support and positive engagement from MHCLG and its delivery partners, particularly where there are named contacts although this experience was not universal across the local authorities we spoke to.

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Figure 2
Examples of projects funded by the Ministry of Housing, Communities & Local Government's (MHCLG's) unlocking land programmes in England

MHCLG has funded a variety of projects providing grants, loans, equity investments and land acquisitions

Small grant Land Release Fund (LRF) – £375,000 	The Manchester Northern Gateway Urban growth Programme The funding will support the delivery of upfront strategic infrastructure addressing constraints to development. The infrastructure includes land remediation, new road access, footpaths, cycleways, and work to address flood risk. The Manchester Northern Gateway Urban Growth programme will provide over 5,000 homes by March 2035.
Large grant Housing Infrastructure Fund (HIF) – £51.6 million 	The Rugby Radio station site development The funding contributed to the costs of a link road through the development site, which allowed the acceleration of the delivery of homes. The Rugby Radio station site will deliver over 6,000 homes, four schools and other related infrastructure, over a 22-year period.
Loan Home Building Fund – Long Term Fund (HBF–LTF) – £35.5 million 	Multiple sites across England Homes England is investing to establish a joint venture to create a master developer platform which aims to promote, unlock and deliver complex and strategic housing sites. This joint venture will buy and de-risk stalled sites, focusing on large sites in the earlier stages of development such as those which have been identified in a local plan or have been granted planning permission.
Equity Home Building Fund – Infrastructure Loans (HBF–IL) – £50 million 	Burtree project in Darlington The funding supports the creation of a garden community supporting green infrastructure and travel links. The wider site has the opportunity to deliver around 2,000 homes, a school, public park and employment space.
Acquisition Land Assembly Fund (LAF) – £63.2 million 	

Notes

- 1 The loan provided to the Rugby Radio Station site came from the Large Sites Infrastructure Fund, a precursor to the Home Building Fund.
- 2 The images in the large grant, loan and equity boxes are not images of the actual sites and are for illustrative purposes only.

Source: National Audit Office analysis of information provided by the Ministry of Housing Communities and Local Government, Homes England, Plymouth City Council and its PR partner LiveWest for the photograph of Stirling House project, and publicly available documents

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Programmes delivering unlocking land support

1.6 MHCLG has delivered its support for unlocking land across several programmes which have developed over time. The programmes use different interventions, and responsibility for delivering them is split across different partners: Homes England, One Public Estate, Greater London Authority and some mayoral strategic authorities. Local authorities are the recipients of the funding for many of the programmes and are responsible for delivering the projects for which they are funded. Private developers can also receive funding for some of the programmes and are responsible for delivering the projects in these cases. MHCLG and Homes England developed these programmes over time. This report covers existing programmes that most closely support the government's interventions that help unlock land for new homes in England (**Figure 3** overleaf). Throughout this report we refer to a first phase of programmes planned between 2016 and 2020 funding projects that MHCLG mostly expects will complete spending on unlocking work by March 2028, and a second phase launched after 2021 that it currently expects to complete spending by March 2034. Part Two of this report sets out the funding MHCLG has allocated to these programmes, the nature of the projects they have supported, and their progress.

The National Housing Delivery Fund

1.7 In June 2025, MHCLG announced the creation of a National Housing Delivery Fund (NHDF), which will continue the work of previous unlocking programmes, tackling market failures that prevent housing development. MHCLG expects the NHDF will continue to use grant, loan and land acquisition interventions like those set out in paragraph 1.5 and Figure 2. MHCLG expects the NHDF will also increasingly use equity investments and guarantees to encourage more private investment into areas where the market is not currently providing. Part Three of this report sets out how the learning from MHCLG's existing programmes is shaping the design of the NHDF, which is due to be operational from 1 April 2026 (paragraphs 3.4 to 3.8), and MHCLG's initial expectations for the NHDF's future funding and operations (paragraphs 3.9 to 3.11).

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Figure 3

The Ministry of Housing Communities & Local Government's (MHCLG's) unlocking land programmes, since 2016

MHCLG is accountable for the funds spent through these programmes and delivers them through delivery partners

Programme	Phase	Type of intervention	Responsible for delivery at national level
Housing Infrastructure Fund (HIF)	One	Large grants to local authorities	Homes England (HE)
Home Building Fund – Long Term Fund (HBF-LTF)	One	Loans to developers	HE
Land Release Fund (LRF)	One	Small grants to local authorities	One Public Estate (OPE)
Land Assembly Fund (LAF)	One	Land acquisitions	HE
Brownfield Land Release Fund (BLRF)	One and two	Small grants to local authorities	OPE
Brownfield, Infrastructure and Land Fund (BIL)	Two	Large grants and loans, acquisitions and equity investments	HE
Home Building Fund – Infrastructure Loans (HBF-IL)	Two	Loans and equity investments	HE

Notes

- 1 Phase one unlocking land programmes are those planned between 2016 and 2020, which MHCLG mostly expects to complete spending on unlocking work by March 2028. Phase two unlocking land programmes are those launched after 2021 and intended to build on the work of earlier programmes. These programmes are expected to complete spending on unlocking land work by March 2034.
- 2 The Greater London Authority (GLA) and mayoral strategic authorities act as delivery partners in their areas. The GLA has delivery responsibility for the LAF in London and receives an allocation for the BIL, which is managed by Homes England. For the HIF in London, GLA has responsibility for the smaller 'Marginal Viability Funding' sites and MHCLG has responsibility for the larger 'Forward Funding' sites. The GLA has a role in facilitating partnerships, as a landowner and applicant relating to other funds. Ten mayoral strategic authorities have formed strategic place partnerships with Homes England. In addition, Greater Manchester and the West Midlands combined authorities receive devolved allocations in the BIL and can apply for other funds.
- 3 One Public Estate is a partnership delivered between the Cabinet Office, the Local Government Association and MHCLG.
- 4 There are two iterations of the Brownfield Land Release Fund: the first (BLRF 1) is in phase one, and the second (BLRF 2) is in phase two.
- 5 MHCLG provides additional funding for unlocking land activities through devolved funds, such as the Brownfield Housing Fund.

Source: National Audit Office analysis of Ministry of Housing, Communities & Local Government documents

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Part Two

Progress unlocking land for housing

2.1 This part sets out:

- the targets and expectations the Ministry of Housing, Communities & Local Government (MHCLG) has for its programmes;
- the funding that has been distributed to date,
- the projects supported; and
- progress with delivery.

Targets and expectations for MHCLG's programmes

2.2 When MHCLG established its programmes, it set an indicative number of homes to be built on the land it planned to unlock. MHCLG estimates the £10.5 billion it has allocated to its programmes since 2016-17 will provide suitable land with the capacity for building around 713,000 homes (**Figure 4** overleaf). MHCLG expects most of this capacity to come from sites where it has given large grants or loans, which collectively represent 85% of the funding allocated across the programmes.

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Figure 4

The Ministry of Housing, Communities & Local Government's (MHCLG's) unlocking land programmes and their intended housing capacity

MHCLG is investing around £10.5 billion through its unlocking land programmes and expects to unlock the capacity for around 712,900 homes

Programme	Intervention	Funding (£mn)	Expected housing capacity
Phase one programmes			
Land Release Fund (LRF)	Small grants	65	6,300
Brownfield Land Release Fund 1 (BLRF 1)	Small grants	75	5,700
Land Assembly Fund (LAF)	Land purchase	1,260	73,500
Home Building Fund – Long Term Fund (HBF–LTF)	Loans	1,729	161,200
Housing Infrastructure Fund (HIF)	Large grants	4,189	260,500
Total phase one programmes		7,318	507,200
Phase two programmes			
Brownfield Land Release Fund 2 (BLRF 2)	Small grants	180	13,700
Home Building Fund – Infrastructure Loans (HBF–IL)	Loans and investments	1,509	107,000
Brownfield, Infrastructure and Land Fund (BIL)	Large grants, loans and investments	1,490	85,000
Total phase two programmes		3,179	205,700
Grand total		10,497	712,900

Notes

- 1 MHCLG calculates intended housing capacity based on site capacity assumptions at the point the contract for the project is signed so the final capacity delivered may vary from the original estimate. For the BIL, more projects have been approved than funding is available for; this means the actual unlocked housing capacity may be lower than the estimate of 85,000. MHCLG told us they over-programme on the basis that they know some projects will fail.
- 2 Phase one unlocking land programmes are those planned between 2016 and 2020, which MHCLG mostly expects will complete spending on unlocking work by March 2028. Phase two unlocking land programmes are those launched after 2021 and intended to build on the work of earlier programmes. These programmes are expected to complete spending on unlocking land work by March 2034.
- 3 Phase one data include two rounds of the Land Release Fund in 2018 and 2019 plus the first round of the Brownfield Land Release Fund from 2021. The second Brownfield Land Release Fund, which represented a three-year funding allocation from 2022, is shown under phase two programmes.
- 4 Numbers are rounded to the nearest million (funding) and nearest hundred (expected housing capacity).

Source: National Audit Office analysis of Ministry of Housing, Communities & Local Government and Homes England performance pack data

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2.3 MHCLG expects that the last homes built on the land unlocked through its current programmes may not complete until 2050. MHCLG's programmes focus on preparing the land for housing rather than on the subsequent building of new homes. MHCLG and Homes England's theories of change for the programmes set out how the principal output of the funding it provides is readying the land for building. The homes, which MHCLG expects developers to take responsibility for building, are considered intermediate or longer-term outcomes over which MHCLG has much less control. For example, we heard from one local authority about a site which was dormant after the unlocking activity had completed, and where there appeared to be no activity. Timescales for the completion of the unlocking land stage and the subsequent build out will vary, and delivery of new homes on unlocked land can take a long time.

- MHCLG anticipates that its projects to unlock land (to complete the land and infrastructure preparation) will take between two to three years for small grant-funded projects and up to nine years for more complex large-scale projects.
- MHCLG currently expects that building homes on land it has unlocked through its smaller grant-funded sites will continue until March 2035, with larger schemes such as the Housing Infrastructure Fund (HIF) building beyond 2038 and the Land Assembly Fund (LAF) as late as 2050.

2.4 MHCLG expects 41% of the new homes that will be supported through unlocking programmes would not be delivered at all without its funding. For each of its programmes, MHCLG estimates the number of 'additional' homes that it expects its funding will support and which would not be built by the market alone. These levels of 'additional' housing vary across MHCLG's programmes, ranging from 55% 'additional' homes for certain HIF projects, down to 17.5% for the Home Building Fund (HBF) loan funds. Of the 713,000 homes MHCLG expects will be supported through unlocking programmes in total, MHCLG's estimates suggest 289,000 (41%) will be 'additional'. MHCLG believes its unlocking programmes also 'accelerate' the building of non-additional homes that the market might ultimately have built itself but over a longer timescale.

Progress providing support for projects

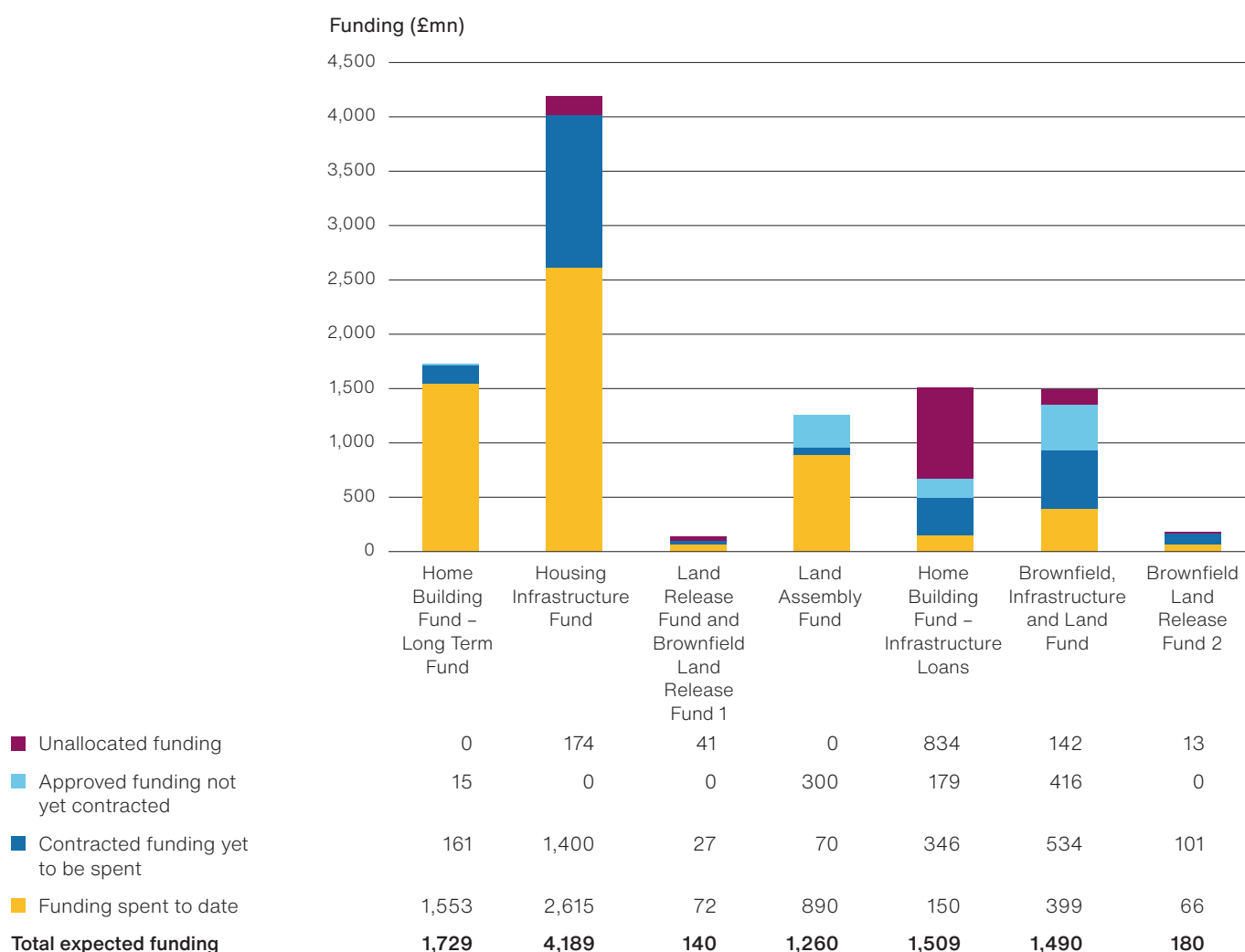
2.5 MHCLG and Homes England have committed £8.4 billion of the £10.5 billion allocated funding to projects and have spent £5.7 billion so far (**Figure 5** overleaf). The final net cost to the taxpayer of the unlocking land programmes is expected to be lower, however, as MHCLG and Homes England expect to make returns on their investments. MHCLG and Homes England expect to recover £2.8 billion (90%) of the loan funding committed to date, with Homes England having received £857 million in loan capital repayments as at September 2025. MHCLG and Homes England expect the loan funds to return an overall surplus to the taxpayer, with around £4.5 billion forecast in capital repayments and earned interest.

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Figure 5

Amount approved, committed, spent and still available to allocate in the Ministry of Housing, Communities & Local Government's (MHCLG's) unlocking land programmes, as at September 2025

MHCLG has spent £5.7 billion of its unlocking land funding and has £1.2 billion available to allocate across its programmes

**Notes**

- 1 The Brownfield, Infrastructure and Land Fund includes London and devolved projects.
- 2 The Brownfield Land Release Fund 2 (BLRF 2) (launched in November 2022) comprises three individual funding rounds but does not include a fourth round (BLRF 2.4), which was launched in December 2025.
- 3 'Unallocated funding' is the amount of money MHCLG and Homes England have in each programme which is not earmarked for any projects. 'Approved funding not yet contracted' is money MHCLG and Homes England have provisionally decided will be given to a project but is not yet formally contracted. 'Contracted funding yet to be spent' is money which has been formally committed to a project. 'Funding spent to date' is the money which MHCLG and Homes England have already given to contracted projects.
- 4 Numbers may not sum as they are rounded to the nearest million.

Source: National Audit Office analysis of Ministry of Housing, Communities & Local Government and Homes England performance pack data

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2.6 MHCLG's programmes have funded work on 768 sites; 766 of these have funding data available.² Since 2016-17, MHCLG has supported a broad range of projects, including the following (**Figure 6** on pages 24 and 25):

- 20 projects receiving over £100 million. These 20 projects aim to deliver land for a median of 7,163 homes.³
- 108 projects receiving over £10 million up to £100 million. These 108 projects aim to deliver land for a median of 1,506 homes.
- 228 projects receiving over £1 million up to £10 million. These 228 projects aim to deliver land for a median of 187 homes.
- 410 projects receiving £1 million or less. These 410 projects aim to deliver land for a median of 23 homes. Of these 410 projects, 337 (82%) are for the Brownfield Land Release Fund and Land Release Fund.

The projects funded across all the unlocking land programmes aim to deliver between 1 and 16,500 homes.⁴

2.7 Over the life of its unlocking land programmes, MHCLG has taken various approaches to the distribution of funds, which has meant the distribution of funding has not been consistent over time. Decisions over which projects to support is, for example, driven by the policy objectives of the time, the availability of suitable sites to unlock, and the ability of local organisations to put forward robust plans. MHCLG's funding committed to date is supporting projects in local authorities across all regions of England (**Figure 7** on page 26). The South East is receiving the most (£1.9 billion), while the North East is receiving the least (£289 million). Per person, the South East is receiving the most (£198 per person), followed by London (£191 per person). Yorkshire and the Humber is receiving the least (£68 per person).

² The 768 projects do not include those which have withdrawn from the programmes. Funding data were not provided by MHCLG for two of the 768 projects as they are part of wider approvals. One additional project is excluded from the housing capacity calculations in this paragraph, due to incomplete data.

³ The median is the middle value in a dataset when the data is ordered from smallest to largest. We have used the median average to avoid the numbers being skewed by outliers.

⁴ This range excludes the few projects for which the forecast number of homes expected to be built is zero.

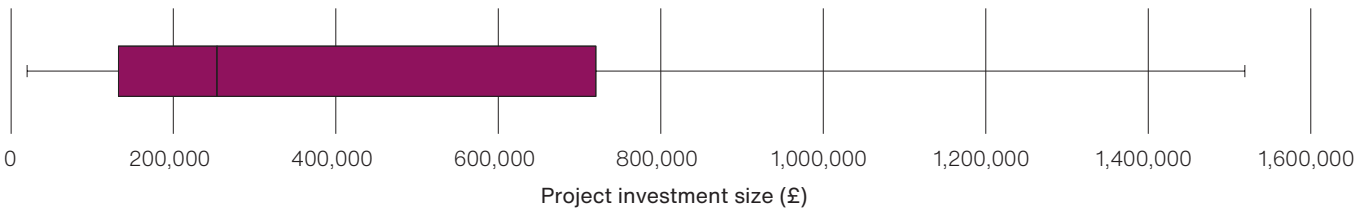
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Figure 6
Range and distribution of projects the Ministry of Housing, Communities & Local Government (MHCLG) is funding across its unlocking land programmes in England since 2016-17

The number of projects and average investment size varies between the programmes, with MHCLG making the smallest median investment through the Land Release Fund and Brownfield Land Release Fund 1, and the largest through the Home Building Fund – Long Term Fund

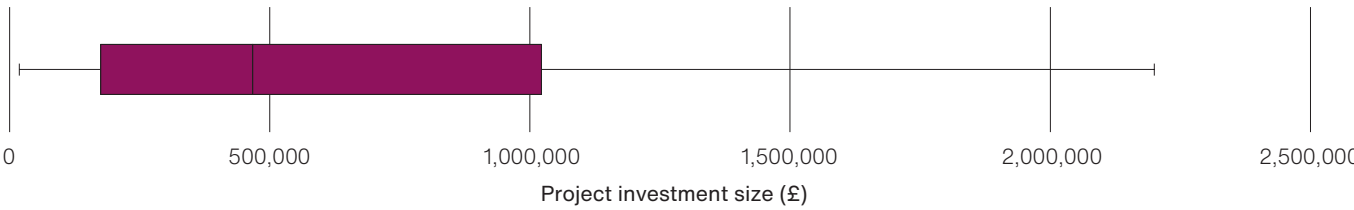
Land Release Fund and Brownfield Land Release Fund 1

183 projects, with a median size of £0.25mn. There are 14 outliers, with the largest project worth £2.68mn.



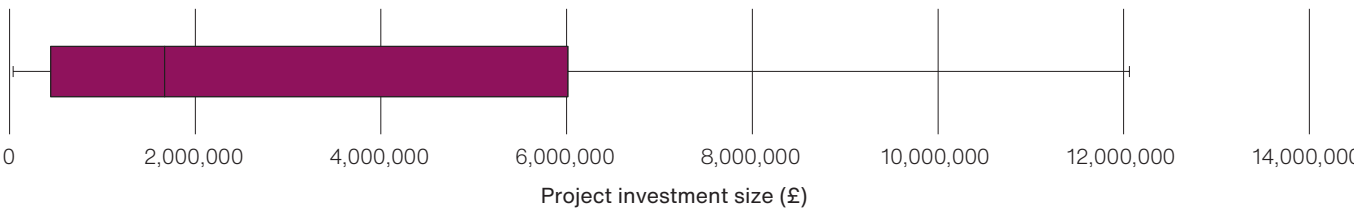
Brownfield Land Release Fund 2

246 projects, with a median size of £0.47mn. There are nine outliers, with the largest project worth £2.86mn.



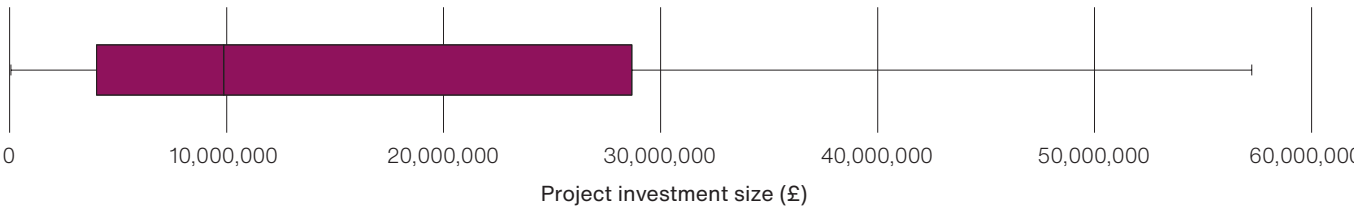
Brownfield, Infrastructure and Land Fund

162 projects, with a median size of £1.7mn. There are 26 outliers, with the largest project worth £109.5mn.



Housing Infrastructure Fund

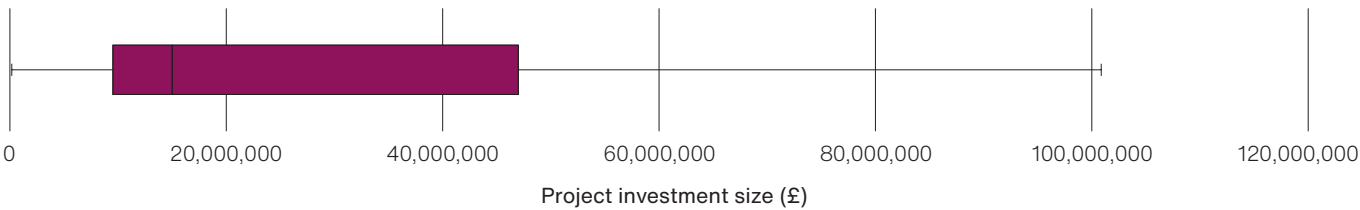
105 projects, with a median size of £9.9mn. There are 15 outliers, with the largest project worth £355.8mn.



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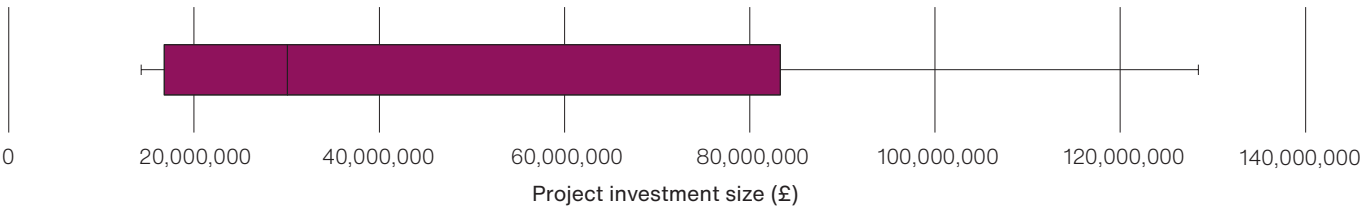
Land Assembly Fund

38 projects, with a median size of £15.0mn. There is one outlier worth £282.1mn.



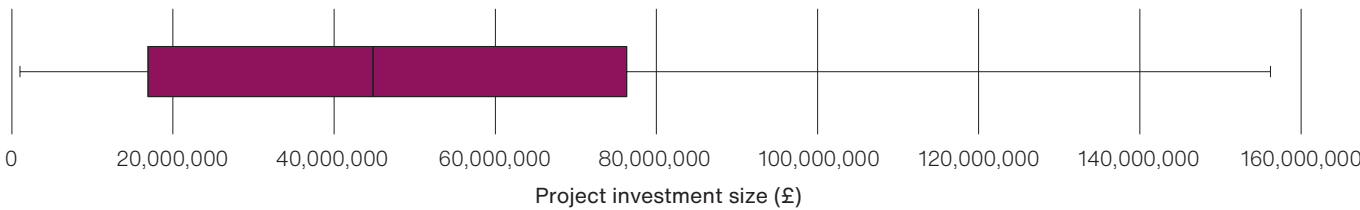
Home Building Fund – Infrastructure Loans

8 projects, with a median size of £30.0mn. The largest project is worth £128.0mn.



Home Building Fund – Long Term Fund

26 projects, with a median size of £44.8mn. There is one outlier worth £169.0mn.



Notes

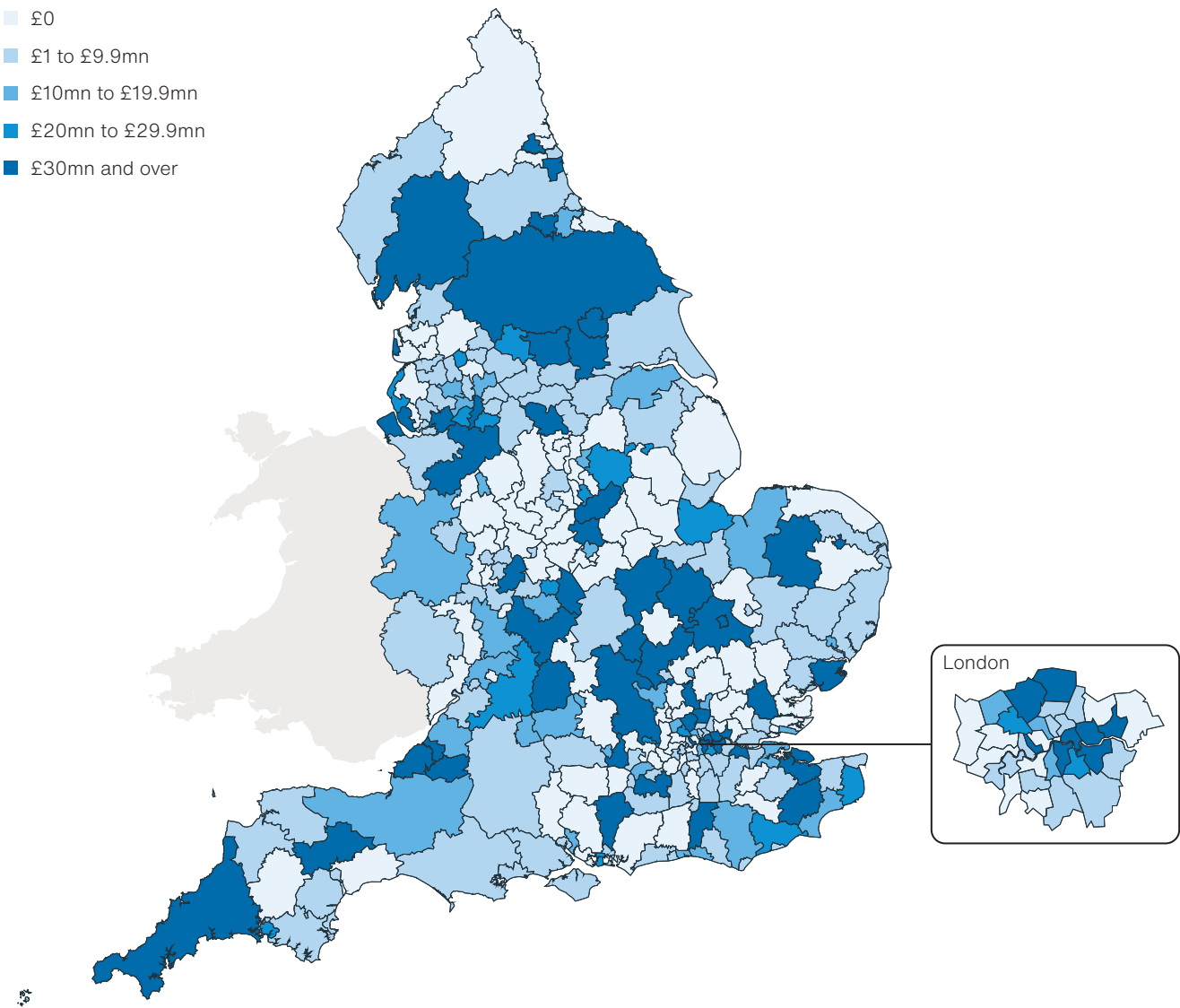
- 1 This does not include projects which have withdrawn from the funds.
- 2 Funding data were not provided by MHCLG for two of the Brownfield, Infrastructure and Land Fund projects, as they are part of wider approvals, so are not included in the plot.
- 3 The box and whisker diagrams depict the distribution of the project sizes for each unlocking land programme. The boxes indicate where the middle 50% of the data lie, with the line inside the boxes indicating the median project size. The whiskers indicate the minimum and maximum project size once outliers have been excluded.
- 4 Projects statistically identified as outliers are not included in the charts. The number of projects identified as outliers is included in the figure for each fund.
- 5 The project investment sizes in the text above each box and whisker diagram are in millions, rounded to the nearest hundred thousand, except for the Brownfield Land Release Fund 1 and Land Release Funds, and the Brownfield Land Release Fund 2 which are both rounded to the nearest ten thousand due to their smaller scales.

Source: National Audit Office analysis Ministry of Housing, Communities & Local Government and Homes England data

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Figure 7
Distribution of the Ministry of Housing, Communities & Local Government's (MHCLG's) unlocking land funding within local authorities in England since 2016-17

MHCLG has allocated money to projects across many local authorities and all regions



- Notes**
- 1 The map shows funding for projects within single- and lower-tier local authorities. Some funding has been for national, county and regional-level projects, which are not shown on this map. Counties receiving county wide funding are Cumbria, Devon, Essex, Gloucestershire, Hampshire, Hertfordshire, Norfolk, Nottinghamshire, Oxfordshire, Staffordshire, Suffolk, Surrey, Warwickshire, West Sussex and Worcestershire. Greater Manchester Combined Authority and North East Combined Authority are receiving funding. Additionally, London is receiving region-wide funding.
 - 2 This does not include projects which have withdrawn from the funds.
 - 3 Funding data were not provided by MHCLG for two of the Brownfield, Infrastructure and Land Fund projects, as they are part of wider approvals, so are not included in the plot.

Source: National Audit Office analysis of Ministry of Housing, Communities & Local Government data and map boundaries from the Office for National Statistics licensed under the Open Government Licence v.3.0. Contains OS data © Crown copyright and database right 2025

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Progress delivering land and housing

2.8 MHCLG and Homes England committed funding to 920 projects, some of which closed and had funding withdrawn, leaving 768 projects. Funding recipients had completed spending on unlocking works on 141 of the 768 projects (18%) as at September 2025. Excluding projects which are closed or closing 128 (36%) projects in phase one programmes and 13 (3%) projects in phase two programmes have completed spending on unlocking works (**Figure 8**). On these sites, MHCLG’s spending has completed but the sites may not be fully unlocked and ready for housebuilding. This is, for example, because MHCLG’s funds may only have supported part of the activity or may have been designed to help encourage others to invest in the site in order to fully unlock it. MHCLG expects almost all projects under its phase one programmes will complete spending their funds on unlocking work by March 2028 and its phase two programmes by March 2034. As such, the unlocking phase for existing projects will continue for several years after the National Housing Delivery Fund (NHDF) has launched from 1 April 2026.

Figure 8
Status of the Ministry of Housing, Communities & Local Government’s (MHCLG’s) unlocking land projects, as at September 2025

Of the 768 projects across MHCLG’s unlocking land programmes, 141 have completed spending on unlocking works, 613 are active and 14 have not started, while a further 152 have closed or are closing

Project status	Phase one programmes	Phase two programmes	Total
Complete	128	13	141
Active	224	389	613
Not started	0	14	14
Closed or closing	138	14	152
Total	490	430	920

- Notes**
- 1 Phase one unlocking land programmes are those planned between 2016 and 2020, which MHCLG mostly expects will complete spending on unlocking works by March 2028. Phase 2 unlocking land programmes are those launched after 2021 and intended to build on the work of earlier programmes. These programmes are expected to complete spending on unlocking land work by March 2034.
 - 2 The unlocking land funds in phase one include the Land Assembly Fund (LAF), the Home Building Fund–Long Term Fund (HBF–LTF), the Housing Infrastructure Fund (HIF), the Land Release Fund (LRF) and the Brownfield Land Release Fund 1 (BLRF 1). Phase two includes the Brownfield, Infrastructure and Land Fund (BIL), the Home Building Fund–Infrastructure Loans (HBF–IL) and the Brownfield Land Release Fund 2 (BLRF 2).
 - 3 Projects in the ‘complete’ category are those which have completed spending MHCLG money on unlocking works.
 - 4 Projects in the ‘active’ category are those which are live, or where money is being spent, or all the money has been spent but receipts are still being received.
 - 5 Projects in the ‘not started’ category are those which are approved for funding but not yet contracted.
 - 6 Projects in the ‘closed or closing’ category are those which are no longer going ahead.

Source: National Audit Office analysis of Ministry of Housing, Communities & Local Government, and Homes England data

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2.9 Homes England publicly reports progress based on contracts signed rather than unlocking projects completed. MHCLG and Homes England expect the contracts they and their devolved partners have signed to date to provide unlocked housing capacity to unlock land for 630,000 homes, representing 88% so far of the 713,000 homes they intend the programmes to unlock in total. Homes England publicly reports land as ‘unlocked’ at the point contracts are signed rather than at the point unlocking work is completed. A measure at the point of contract signature represents an output in the unlocking process over which Homes England and other delivery partners have most control. Given the unlocking stage can take several years, publicly reporting ‘unlocked housing capacity’ at the time contracts are signed risks creating an impression that land has been unlocked earlier than is the case. It also risks misstating the capacity delivered, as projects may ultimately provide more or less capacity than expected at the point of contract signature. MHCLG told us that it tracks changes in expected housing capacity unlocked as infrastructure work progresses, however they do not publish an updated capacity on completion of unlocking projects.

2.10 MHCLG and Homes England do not track how many homes have ultimately been built on all the land their programmes have unlocked. While the delivery of new homes is a key outcome from MHCLG’s support for unlocking land, it has incomplete data on how many have been completed. It has data on completed homes in the LAF where Homes England owns sites, and can impose reporting conditions on subsequent developers through sales contracts. MHCLG and Homes England also collect data from local authorities receiving funds through the HIF and the smaller Land Release Fund (LRF) and Brownfield Land Release Fund (BLRF) programmes. MHCLG told us that it initially chose not to monitor housing completions on the two HBF funds and the BIL fund (national and London portfolios) because of the time lag between contracting the work and completion, and because of the monitoring costs involved. While these three funds represent 12% of unlocking projects, they account for around half of intended housing capacity across all unlocking programmes.⁵

2.11 MHCLG’s data at September 2025 shows over 33,000 homes have been built on unlocked land, though the lack of comprehensive tracking means it is likely that more may have been built. The 33,000 comprises 2,800 homes completed on land Homes England owns through the LAF, and 30,510 reported by local authorities including the mayoral strategic authorities administering devolved BIL funding. The total represents 5% of MHCLG’s expected 713,000 homes. MHCLG told us that of September 2025 it is beginning to receive monitoring information for the national and London BIL Funds. Homes England told us it is investigating ways it can expand monitoring to cover the two HBF funds, including using mapping data. Other data sources could include energy performance certificates or building control completion certificates to track housebuilding while managing the burden on developers.

2.12 Local authority views on MHCLG’s reporting requirements remain mixed. Some authorities said a new online portal to provide updates on progress was welcome, while others told us that reporting requirements were too rigid. In one case, a local authority told us it was required to report regularly over multiple years on a project that had stalled.

⁵ BIL fund consists of three portfolios, national, London and devolved. MHCLG receives monitoring data for BIL devolved as shown in para 2.11.

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Part Three

Learning and improvement

3.1 This part sets out:

- how the Ministry of Housing, Communities & Local Government (MHCLG) and Homes England's experiences delivering early programmes shaped the development of later ones;
- the lessons that formal evaluations offer for the National Housing Delivery Fund (NHDF); and
- MHCLG and Homes England's emerging expectations for the NHDF.

Insights from early experience

3.2 MHCLG learned some early lessons from challenges it faced establishing its Housing Infrastructure Fund (HIF). MHCLG launched the ambitious programme in 2017 and made its first awards in 2018. The process was more challenging than MHCLG anticipated, with an Infrastructure and Projects Authority (IPA) review in October 2020 highlighting that:⁶

- the HIF launched without a pipeline of projects in place and with a tight application window for competitive bids, which led to over-subscription and the submission of many immature bids; and
- the resulting delay in assessing bids and awarding funds required MHCLG to extend deadlines for completing spending on unlocking works from March 2021 to March 2024.

⁶ The Infrastructure and Projects Authority (IPA) became the National Infrastructure and Service Transformation Authority in April 2025. We refer to the IPA throughout this report being the name in use at the time of each IPA report referred to.

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3.3 The HIF encountered further issues relating to COVID-19, construction inflation exacerbated by the war in Ukraine and supply chain issues, which MHCLG responded to with a programme reset in 2023. The reset identified projects that would continue, and poorer-performing schemes where MHCLG would withdraw funding. By November 2024, 19 projects had withdrawn since the reset, releasing funding to manage future contingency. The IPA concluded that the reset placed the programme on a firmer footing, but some large projects were still at risk of not completing spending on unlocking works by the further-revised deadline of March 2028. By September 2025, a further three projects had withdrawn. The contingency created by the reset is under pressure from further cost escalation.

3.4 MHCLG used these early lessons to change the way its second phase programmes were designed, to help ensure that projects that were realistic and ready to start were put forward for support, and that the right financial support was available. MHCLG and Homes England drew on lessons from the HIF when designing the Brownfield, Infrastructure and Land Fund (BIL), which became the principal second phase programme awarding large grants. Changes included the following.

- Engaging with local areas prior to the fund launch, identifying a preliminary pipeline of potential projects that could be developed into investment-ready bids more quickly when funding opened.
- Deploying a 'continuous market engagement' model in most instances, in place of a competitive application window, as recommended by the IPA's 2020 HIF review. This approach replaces fixed application deadlines with a flexible ongoing process and is intended to allow applicants to submit proposals when they are investment-ready rather than rush them to meet a deadline. In 2023, the IPA concluded that the previous process with bidding windows and short spending deadlines had resulted in many projects being put forward that were undeliverable on the terms agreed.
- Providing a more flexible funding mix, as recommended by the IPA's 2020 HIF review, allowing applicants to request grant, loan, investment or Homes England purchase of land through a 'single front door' rather than having to approach separate programmes. The BIL also provided grant funding to private developers as well as local authorities.

3.5 MHCLG and its delivery partners made other changes based on wider learning from first phase programmes including the following.

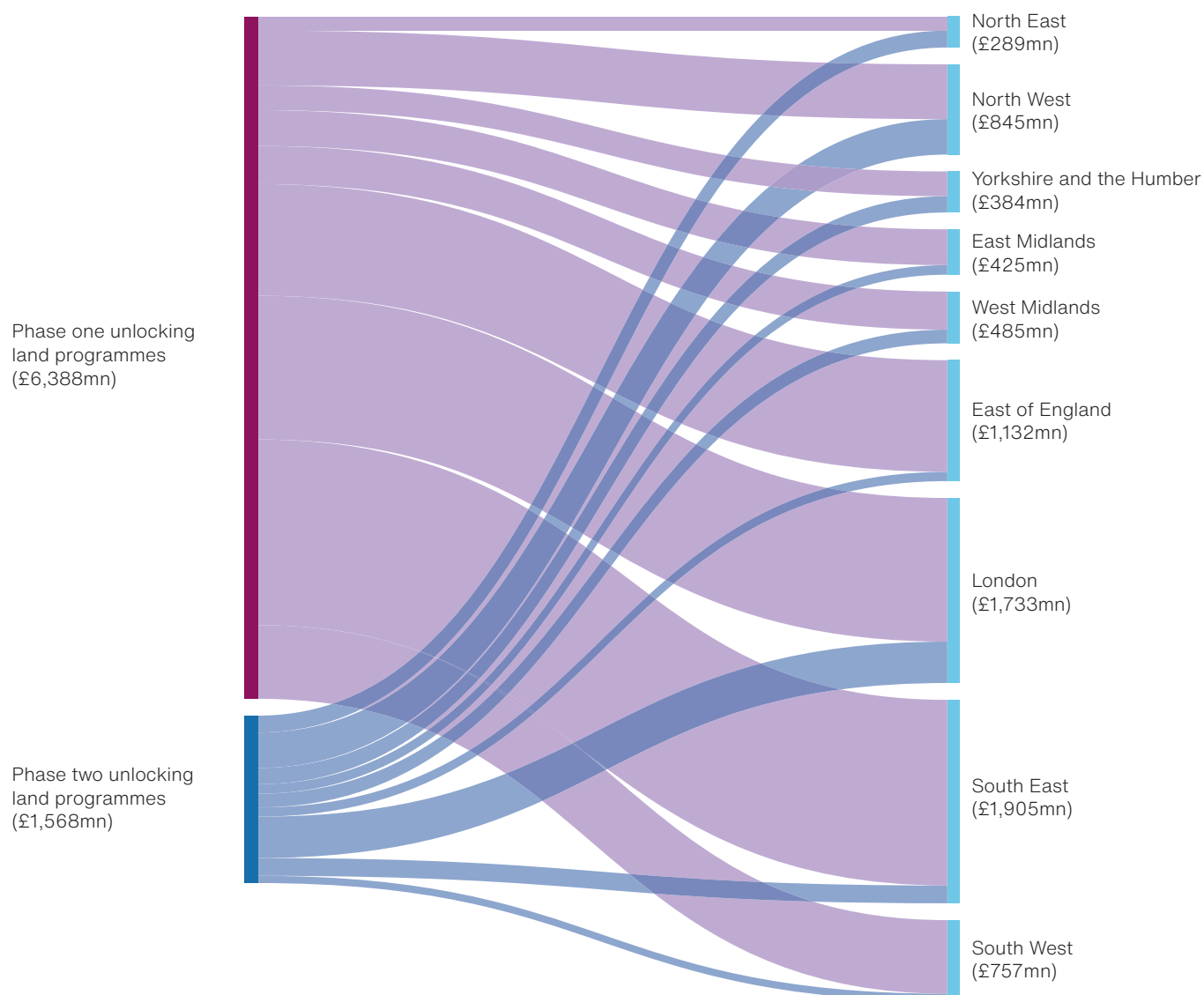
- Providing greater funding certainty for local authorities by announcing £180 million of Brownfield Land Release Fund (BLRF 2) in 2022, to be available over three rounds from 2022-23 through to 2024-25.
- Revising project assessment criteria to address a potential bias in the way MHCLG and delivery partners calculated the value for money of projects. The original metric prioritised increasing land value, which favoured applications from locations where land was more expensive. MHCLG and partners developed a revised appraisal system that reduced the required level of benefit-to-cost ratios and allowed non-monetisable benefits such as public health, transport, and improvements in the labour market to count towards these calculations. The revised criteria helped award funds in more challenging markets, with a higher proportion of funding to projects in the North (**Figure 9**).

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Figure 9

Distribution of unlocking land funding by the Ministry of Housing, Communities & Local Government (MHCLG) to each region in England between 2016-17 and 2025-26

MHCLG invested the most money in the South East and London in its phase one funds and London and the North West in its phase two funds



Notes

- 1 Phase one unlocking land programmes are those planned between 2016 and 2020 which MHCLG currently expects will complete spending on unlocking work by March 2028. Phase two unlocking land programmes are those launched after 2021 and intended to build on the work of earlier programmes. These programmes are generally expected to complete spending on unlocking land work by March 2034.
- 2 The unlocking land funds in phase one include the Land Assembly Fund (LAF), the Home Building Fund – Long Term Fund (HBF-LTF), the Housing Infrastructure Fund (HIF), the Land Release Fund (LRF) and the Brownfield Land Release Fund 1 (BLRF 1). Phase two includes the Brownfield, Infrastructure and Land Fund (BIL), the Home Building Fund – Infrastructure Loans (HBF-IL) and the Brownfield Land Release Fund 2 (BLRF 2).
- 3 Funding data were not provided by MHCLG for two of the Brownfield, Infrastructure and Land Fund projects, as they are part of wider approvals, so are not included in the chart.
- 4 This does not include projects which have withdrawn from the funds.
- 5 Numbers may not sum as they are rounded to the nearest million.

Source: National Audit Office analysis of the Ministry of Housing, Communities & Local Government and Homes England data

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Insights from formal evaluation

3.6 Since launching its second phase programmes, MHCLG has begun to receive the first insights from formal evaluations. MHCLG and Homes England have had evaluation plans in place since 2020, providing for a comprehensive programme of process and impact evaluations for almost all unlocking land funds. They have so far received external evaluation insights on the process in place for establishing and operating three of its five first phase programmes and one of its three second phase programmes. Other sources of insight include reviews of the HIF and the BIL by the IPA and the wider *Homes England Public Bodies Review*, published in 2024.⁷ MHCLG and Homes England have received early evaluation insights on the interim impact of the Land Assembly Fund (LAF) and the Home Building Fund – Long Term Fund (HBF–LTF). Further impact evaluations are anticipated on the HIF, BIL, LAF and HBF programmes. MHCLG has no plans for formal evaluation of the small-grant Land Release Fund (LRF) and BLRF, planning instead to capture learning in house.

3.7 Insights from MHCLG's and Homes England's external evaluations suggest it has applied its learning effectively, although risks remain. External evaluations and reviews have highlighted the following.

- Preliminary pipeline development resulted in eligible, deliverable projects in place at the launch of the BIL programme, although this favoured local areas who were able to develop bids at their own risk before funding had been identified.
- Stakeholders have broadly welcome continuous market engagement, though with some concerns that spending deadlines continue to prioritise more deliverable projects over those with potentially greater strategic impact. A review by the government's Complex Grants Advice Panel highlighted that, without setting appropriate quality thresholds to assess projects, there is a risk that projects are funded on this first-come first-served basis at the potential expense of stronger projects that may emerge later.
- Flexible funding has enabled individual projects to receive a blend of funding types, although grants still predominate, with demand likely to grow as housebuilding slows and developers face financial challenges building on difficult sites.

⁷ Ministry of Housing, Communities & Local Government, Homes England, and Department for Levelling Up, Housing & Communities, *Homes England Public Bodies Review 2023*, April 2024.

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3.8 Insights from MHCLG's and Homes England's external evaluations also highlight areas for improvement, including the following.

- The single entry point for all applicants provided by the BIL risks remaining subject to siloed working behaviours due to delivery of different interventions by different Homes England directorates once the applications are received.
- To speed up funding decisions, the LAF interim evaluation recommended Homes England seek agreement to increase the level of delegation to project teams while maintaining robust governance and decision making.
- An absence of a clear strategy for prioritising projects for the BIL meant too much time and resource has been wasted on unsuitable projects.
- Data on infrastructure delivery and building of homes on completed sites need to be collected to provide stronger evidence on programmes' impact on housing delivery.

The National Housing Delivery Fund

Continuity and change

3.9 The new NHDF due to be launched from 1 April 2026 aims to provide long-term, flexible and simplified funding. MHCLG told us the existing projects will continue to be managed through their existing governance processes, while new activity that would previously have been delivered under the legacy programmes will be brought under the NHDF. MHCLG is working with HM Treasury to finalise the NHDF but expects it will continue to build on key lessons learned to date while adapting approaches to reflect changes to the context it will operate in. MHCLG currently expects the NHDF will build on the BIL model of a single front door, providing access to the full breadth of financial interventions MHCLG has provided to date. This is expected to include large and small grants, loans, equity investments and direct land acquisitions. MHCLG also expects that each delivery partner will maintain a pipeline to provide visibility of emerging projects. MHCLG expects Homes England will adopt the continuous market engagement approach for projects it administers. In its 2025 Spending Review bid for the NHDF, MHCLG set out proposals for increased levels of financial delegation from HM Treasury to support faster decision making.

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3.10 MHCLG has announced £21 billion of funding for the NHDF but is yet to confirm what share of this it expects might support further land unlocking projects. In June 2025, the government announced £21 billion of funding for the NHDF comprising:

- up to £5 billion of grant funding for land and infrastructure support, which will be delivered by Homes England and other local partners, including mayoral strategic authorities; and
- £16 billion of financial transactions, representing £10.5 billion of investment capital for loans and equity investments for example, and £5.5 billion of guarantees; MHCLG expects these transactions will be delivered by a new National Housing Bank to be established as a subsidiary of Homes England.

MHCLG expects that the scope of the NHDF's activity will be broader than the land unlocking programmes that are the focus of this report. It expects the £10.5 billion investment capital will support social and affordable housing providers as well as small-scale developers and housebuilders. It also anticipates that elements of the available £5 billion grant allocation will be deployed to complete unlocking work started under existing programmes. MHCLG is yet to confirm the level of funding it anticipates allocating to land unlocking activity of the type it committed £10.5 billion to between 2016-17 and 2025-26 (See Figure 4) and how much might be spent on other approaches.

3.11 MHCLG wants the NHDF to support the government's ambition to build 1.5 million homes by the end of the current Parliament (July 2029), which could lead to changes in its approach to unlocking land to focus on projects that deliver new homes quickly. The NHDF is due to open to new projects from April 2026 – we heard from local authorities the existing unlocking land funds are 'closed' to new bids – giving just over three years to deliver any homes that might count towards the target.⁸ The long timescales involved in some of MHCLG's past unlocking programmes such as the HIF and the BIL fund would not support delivery to this timescale (see paragraph 2.3). Homes England's Investment Roadmap published in December 2025 says the agency will focus on maximising delivery of new homes and communities now. While this is not just focused on unlocking land activity it indicates an emphasis on pace, setting out that Homes England will back shovel ready schemes in the short term. Homes England says this will also mean that for more complex medium- to longer-term housing and mixed-use schemes, it will require delivery partners to demonstrate they are doing all that they can to bring forward as much delivery as possible into the next four years.⁹

⁸ Since we spoke to local authorities, BLRF 2 Round Four has been launched, which will provide £19.8 million capital funding to enable councils to release council-owned sites on brownfield land for housing development. Successful councils will need to be able to enter into contracts for works by 31 March 2026.

⁹ Homes England, *Investment Roadmap*, December 2025.

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3.12 In our conversations with local authorities around unlocking land activities, they told us of their concerns and of several things they would be looking for in future programmes. This included clear, consistent decision making with realistic deadlines to spend funding and deliver projects. They also spoke about needing clarity on the roles and responsibilities across the different organisations involved (MHCLG, Homes England and delivery partners, and local authorities), longer-term certainty and visibility of future funding, a tie-up between funding streams available to support unlocking of land, place shaping and housebuilding, funding they can use to develop bids and projects, and, where they are successful, a proportionate monitoring regime. They also spoke about needing a local place-shaping focus to unlocking land for homes and flexible funding that can move between similar sites if better opportunities arise or existing sites stall.

Adapting the NHDF to new public finance rules

3.13 Alongside the 2024 Autumn Budget, HM Treasury published a requirement for all large-scale public sector loans and investments to be made by specialist bodies. HM Treasury's Financial Transaction Control Framework (FTCF) intends to strengthen cross-government control over financial investments and liabilities.¹⁰ The FTCF requires large-scale, high-risk or complex transactions such as loans, equity investments and public sector guarantees to be delivered by designated public financial institutions.

3.14 Loan and equity support for MHCLG's unlocking land programmes have been delivered to date by Homes England. To comply with the FTCF, MHCLG and Homes England are establishing a new National Housing Bank (the Bank), as a subsidiary of Homes England, to act as the specialist public financial institution making investments in the housing sector. MHCLG and Homes England expect the Bank will deliver loans, equity investments and guarantees in support of unlocking land projects on behalf of the NHDF. The Bank will also have wider responsibilities outside the delivery of unlocking land funding, continuing Homes England's work supporting affordable housing and growth finance for small- and medium-sized housing developers. MHCLG expects the Bank to launch from 1 April 2026.

Adapting the NHDF to new local government structures

3.15 MHCLG's first phase programmes for unlocking land were relatively centralised, with only support for land purchase under the LAF devolved to the Greater London Authority under a memorandum of understanding with Homes England. MHCLG's second phase programmes saw a greater degree of devolution, with the BIL fund providing devolved grant funding allocations to Greater Manchester Combined Authority and West Midlands Combined Authority, and an allocation to Greater London delivered by Homes England. Loan funding to support unlocking land under the HBF programmes was never devolved.

¹⁰ HM Treasury, *Financial Transaction Control Framework*, March 2025.

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3.16 MHCLG expects the NHDF will devolve a larger proportion of unlocking land activity to mayoral strategic authorities in future. The scope of regional devolution has increased since the early years of MHCLG's unlocking land programmes, with seven established mayoral strategic authorities in line to receive integrated settlements from central government.¹¹ MHCLG expects to allocate shares of grant funding available from the NHDF through these integrated settlements, which the authorities can use to support land unlocking projects. It will also explore options for devolving or delegating investment funds to established mayoral strategic authorities where they can demonstrate the capability to deliver.

¹¹ The Greater Manchester and West Midlands combined authorities received integrated settlements from 2025-26. The North East, South Yorkshire, West Yorkshire mayoral combined authorities, Liverpool City Region Combined Authority and the Greater London Authority are due to receive integrated settlements from 2026-27.

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Part Four

Opportunities for the future

4.1 This part explores opportunities the Ministry for Housing, Communities & Local Government (MHCLG) can consider to maximise the impact of the funding mix available for the new National Housing Delivery Fund (NHDF). It considers:

- the opportunities for well-managed risk taking to support impact;
- the opportunities for understanding the locations in which investment might yield the highest impact; and
- understanding and prioritising the most impactful approaches to unlocking land.

Understanding risk

4.2 MHCLG's previous unlocking land programmes took distinct approaches to balancing risk and impact. MHCLG gave grants to some large-scale infrastructure projects as part of its Housing Infrastructure Fund (HIF), each intended to unlock thousands of homes.¹² It accepted these were ambitious projects that were risky due to their scale but provided opportunities to unlock land on which high numbers of additional homes could be built. MHCLG's loan funding programmes, in contrast, were intended to support projects which were more viable but lacked upfront finance, with resulting lower impact in terms of additional homes (see paragraph 2.4 on additionality).

4.3 MHCLG and Homes England managed decisions about funding and risk at both the project and programme level. For the legacy programmes MHCLG and HM Treasury approved an appetite for risk taking on loan activities, allowing for Homes England to not recover up to 25% of loans and investments through the two Home Building Fund programmes and up to 40% of investment capital provided to the Brownfield, Infrastructure & Land Fund (BIL). Programme teams would assess both project risk and credit risk of the organisation they were investing in. In contrast, MHCLG expected the Land Assembly Fund (LAF) to fully recover its invested funds.

¹² MHCLG's HIF programme had a distinct 'Forward Funding' sub-programme, which provided grant funding support for large, strategic and high-impact infrastructure projects typically involving public goods such as major transport works, which cannot be funded through repayable transactions.

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4.4 While some of the risks taken under MHCLG's unlocking land programmes have led to losses, investments in loans and financial transactions have proven less risky than expected. Not all of the ambitious and risky projects funded under the HIF succeeded, with 32 cancelled (including 22 since the 2023 programme reset described in paragraph 3.3), at a potential loss to the taxpayer of £166 million. Homes England told us loans have proven less risky than expected largely because a withdrawal of mainstream lenders from housing development increased demand for its loans from more robust borrowers than it had anticipated. It is forecasting its loan funds to lose no more than 13% to 18% of capital invested over their lifetime, well within its 25% loss appetite. To date, Homes England has had to write off £198 million of loans made to projects that failed to progress. However, it expects its loan funds will return an overall surplus, with capital repayment and interest income for its £3.2 billion of loan funds forecast to be £4.5 billion. A Public Bodies Review of Homes England commissioned by MHCLG highlighted a potential mismatch between risk appetite and risk taking, citing a low risk tolerance in the front-line teams selecting funding opportunities.¹³ The review felt this mismatch risked missing out on increased impacts the funds could be having.

4.5 The NHDF's funding mix will provide an opportunity for MHCLG and Homes England to review and clarify their approach to risk and impact. The financial settlement for the NHDF looks set to reduce the amount of grant funding available compared with the funding mix for previous programmes. MHCLG and Homes England will need to consider their appetite for deploying this more limited grant funding on high-risk, high-impact projects such as those previously supported by the HIF, or whether they intend to use it in different ways for different types of impact such as projects that deliver homes more quickly. MHCLG is developing its approach to risk management for the NHDF that will help identify risks and mitigating actions and takes account of the individual project risks, the programmes and overall portfolio. To help manage risk across the many delivery partners MHCLG's emerging risk governance will encompass Homes England, delivery partners, for example the mayoral strategic authorities and key government stakeholders.

4.6 The NHDF will also provide MHCLG and Homes England with the opportunity to consider the attitude to, and ability to manage, risk in the local authorities and other partners they work with. We heard examples of where local authorities were developing projects without certainty of funding, meaning they carried financial and political risks before a project was given the go-ahead – for example, having to take committee decisions without certainty, committing costs that could not be recovered such as legal costs and costs of feasibility works, or absorbing rising costs due to inflation and re-let tenders that had timed out. We also heard that changes in funding mix will likely cause uncertainty with developers – who, we were told, are risk adverse – which will need to be considered.

¹³ Ministry of Housing, Communities & Local Government, Homes England, and Department for Levelling Up, Housing & Communities, *Homes England Public Bodies Review 2023*, April 2024.

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4.7 The NHDF will operate as a single fund providing scope for MHCLG and Homes England to balance higher- and lower-risk projects on a portfolio basis. MHCLG expects to use the continuous market engagement assessment approach across this single fund, which should give a more cohesive view of emerging projects than was possible under the previous separate programmes. This should help support better risk taking through expanded visibility of investment options and the relative costs and benefits they offer in delivering the aims of the fund. A single fund also provides the opportunity to enact the Public Bodies Review's recommendations that MHCLG and Homes England should align on a common risk language in how they manage this work. The National Audit Office 2023 good practice guide on managing risk highlights approaches to managing risks in government that will also support these developments, including:

- setting a tone at the top of organisations to promote a culture of psychological safety around risk; and
- being deliberate about balancing risks and opportunities in decision making.¹⁴

Prioritising locations

4.8 MHCLG has taken a range of approaches to date, influenced by the policy objectives of the time, when deciding where to focus its funding. Local demand for government support for unlocking land for housing has long exceeded supply. MHCLG was clear when designing the HIF that funding would be targeted rather than spread thinly round the country. Approaches MHCLG and Homes England have subsequently taken to prioritising funding have included:

- focusing on areas of high housing demand and unaffordability, prioritising projects in areas where land and housing costs are high;
- focusing on specific priority locations such as the Homes England Priority Places scheme, which identified 20 areas of strategic importance at the time and influenced distribution of the BIL in particular; and
- using regional distribution targets to influence the distribution of Brownfield Land Release Funds, which have now reached 98% of local authorities in England.

¹⁴ National Audit Office, *Overcoming challenges to managing risks in government*, December 2023.

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4.9 MHCLG expects the NHDF to work with the devolved local government landscape, including all new and established mayoral strategic authorities (see paragraph 3.15 and 3.16). Homes England has created 10 Strategic Place Partnerships (SPPs) to help provide more focused support to these mayoral strategic authorities.¹⁵ Homes England is accompanying this with a corporate restructuring exercise intended to create a more regional and place-based operating model. As Homes England finalises its new structures, it will be important to ensure that it understands local authorities' needs.

4.10 The NHDF provides MHCLG and Homes England with the opportunity to clarify where they intend to target their funding and align it with wider government strategy and maximise impact. For example, Homes England's development of SPPs with mayoral strategic authorities has the scope to focus the government's land unlocking interventions on areas that closely correspond with the city regions and industrial clusters identified in the government's industrial strategy.¹⁶

4.11 However, we heard from some local authorities that they find it difficult to get their housing projects supported. For example, we heard from local authorities who felt left out where plans to unlock brownfield land that would support new housing and bring wider benefits, such as acting as a catalyst for further regeneration, did not receive support from funds. They also felt that decisions for new housing projects were tightly bounded, and the decision making did not take account of the wider placemaking opportunities which offered greater impact. The NHDF needs transparency on its priorities to avoid ineligible or lower-priority areas wasting time and resource applying for support. MHCLG and Homes England will need to set out what support is available for these non-priority locations so they can also meet their housing and wider place-making ambitions. This may include setting out the full range of funds available to places so local authorities, stakeholders and developers can engage effectively.

4.12 To support the delivery of the NHDF and National Housing Bank (the Bank) Homes England are developing an overarching agency-wide investment strategy that will set out the investment themes, principles, priorities and products for the NHDF and National Housing Bank. The first part of this strategy was the publication of the Homes England Investment Roadmap published in December 2025 which set out the scope of the NHDF, the Bank and the agency-wide investment principles and investment themes that will guide future the activity of Homes England.¹⁷

15 Cambridgeshire & Peterborough, East Midlands, Greater Manchester, Liverpool City Region, the North East, South Yorkshire, the West of England, West Midlands, West Yorkshire & York, and North Yorkshire.

16 UK Government, *The UK's Modern Industrial Strategy*, CP 1337, June 2025.

17 Homes England, *Investment roadmap*, December 2025.

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Understanding Impact

4.13 MHCLG and Homes England have received early evaluation insights on the interim impact of two phase one programmes, with further interim and final impact evaluations to follow (see paragraph 3.6). These evaluations will focus on individual programmes, assessing the impacts they have delivered in line with programmes' individual theories of change. MHCLG and Homes England expect that final impact evaluations of existing funds will report on an individual programme basis into the 2030s.

4.14 MHCLG's existing programme-level evaluations risk missing insights as to the relative effectiveness of certain interventions, in particular circumstances and locations. While individual impact evaluations will report on the effectiveness of each fund's particular approaches and interventions, the BIL interim evaluation expected by March 2027 will be the first evaluation to examine the relative impact of the grant, loan and other funding approaches deployed by this more flexible fund. There are no plans for comparisons across different funds. The opportunity to select and combine the most appropriate package of support would benefit from such comparative insights. Beyond unlocking land funds, we also heard from local authorities of the importance of understanding the total mix of funding that might be available to maximise the impact of unlocking land. For example, how affordable homes funding can be aligned to support the building of new homes.

4.15 The NHDF provides an opportunity to develop and share understanding of what interventions are best placed to deliver the impacts the government and local areas require. MHCLG intends the NHDF to use approaches such as a single front door and continuous market engagement as currently used on the BIL (see paragraph 3.9). It will launch the NHDF just under three years after the launch of the BIL, with the first impact evaluation of the BIL's approach expected by the end of the NHDF's first year. MHCLG and Homes England can shape a new evaluation programme for the NHDF which examines the relative effectiveness of different intervention approaches in different circumstances. While formal insights will take time to deliver, MHCLG and Homes England's plans for closer working with mayoral strategic authorities through Homes England's SPPs offer opportunities for capturing and sharing practical lessons on delivery. Such lessons can support and refine a theory of change covering the range of priorities and interventions the NHDF may contain.

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Appendix One

Our audit approach

Our scope

1 The report contains our independent conclusions on whether the Ministry of Housing, Communities & Local Government's (MHCLG's) approach to unlocking land for housing effectively supports the government's ambitions to build the right homes in the right places. We reached these conclusions following our analysis of evidence collected mainly between June 2025 and October 2025.

2 We examined whether:

- MHCLG has unlocked land to deliver the right homes in the right places; and learns and innovates to improve the productivity of its unlocking land programmes; and
- MHCLG and Homes England are putting in place factors for success to unlock the right land, in the right places, to support future housing targets.

3 This report focuses on existing programmes that most closely support the government's interventions that help unlock land for new homes in England. The report is timely, as we also consider the opportunities it has as it develops its plans for the National Housing Delivery Fund (NHDF), due to launch from 1 April 2026. We do not comment on other issues relating to housing delivery, such as 'land banking' – where a piece of land is held for future development. In keeping with the scope of MHCLG's policy responsibilities, we only examined programmes in England.

Our evidence base

4 In forming our conclusions, we drew on a variety of evidence sources, as described in the paragraphs below. We looked across different sources of evidence to support each of our findings.

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Document review

5 Between June and October 2025, we reviewed documents sent to us by MHCLG and Homes England. These documents included business cases, commissioning information, performance packs and evaluation reports. We also reviewed published documents, including *The UK's Modern Industrial Strategy* (2025), the *English Devolution White Paper* (2024), Homes England investment roadmap (2025), Homes England *Annual Report and Accounts 2024/25*, Homes England *Annual Report and Financial Statements 2023/24* and the Housing white paper (2017). We used this information to understand the following: the designs of the unlocking land funds, including the market failures they were set up to address; governance structures and accountability between MHCLG and Homes England; what has worked well and what the key challenges are; how much has been allocated and spent for each programme; and plans for the future NHDF.

Interviews with staff from government and associated bodies

6 Between June and September 2025, we conducted online interviews with officials in MHCLG and Homes England. We spoke to the programmes' Senior Responsible Officers; economists who worked on producing cost-benefit analysis and evaluations of the funds; officials in planning and performance teams; the Deputy Chief Risk Officer; officials working on the new NHDF and associated National Housing Bank; directors for new towns, infrastructure and housing delivery; and regional team leaders who work with local areas on bids for funding from the programmes. These interviews helped us gather information and views on our audit questions.

7 We also spoke to One Public Estate, a joint programme delivered between Cabinet Office, the Local Government Association and MHCLG, which delivers the Land Release Fund and the Brownfield Land Release Fund, to understand their experiences.

8 MHCLG and Homes England conducted two teach-in sessions with the study team, covering the unlocking land programmes and the planning system. These sessions helped develop our understanding of the topic early on in fieldwork.

Stakeholder consultation

9 Between July and September 2025, we conducted interviews with a range of stakeholders, including the Local Government Association, the Greater London Authority and the think tank Re:State. We used this exercise to gather information and views on our main audit questions.

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International comparisons

10 In August 2025, we spoke to the Scottish Audit Office and the Welsh Government to understand the Welsh and Scottish government's unlocking land activities and perspectives on what MHCLG and Homes England are doing in this space. MHCLG shared with us international comparison analysis conducted for the public bodies review. The review compares Homes England's functions against similar bodies in Australia, Austria, Canada, Finland, Netherlands and Switzerland. These international comparisons provided useful context for this study, but we did not carry out any direct comparisons with the programmes considered in this report.

Data analysis

11 We analysed data on the projects being funded for each of the unlocking land programmes in scope: the Land Assembly Fund, the Housing Infrastructure Fund (HIF), the Home Building Fund Long Term Fund (HBF-LTF), the Land Release Fund (LRF), the Brownfield Land Release Fund (BLRF), the Home Building Fund Infrastructure Loans (HBF-IL) and the Brownfield, Land and Infrastructure Fund (BIL). The data include projects being funded through the devolved versions of the HIF and BIL, and the various iterations of the BLRF and the LRF. The data do not include information for the BLRF 2.4, which was launched in December 2025. MHCLG and Homes England provided us with these data. They reflect the project information as at September 2025 (quarter two in 2025-26) except for the project information for the BLRF and LRF programmes, which is as at July 2025 (first third of 2025-26), due to the data reporting frequency. The data contain projects which have been contracted and a small number of BIL national and London projects which have been approved for funding but not yet formally contracted. Funding data were not provided by MHCLG for two of the Brownfield, Land and Infrastructure Fund projects, as they are part of wider approvals, so are not included in funding analysis.

12 We used the project data to understand the distribution of funding by region and local authority, and the range of money allocated to projects across each programme. We used the data to understand the amount of funding being provided via different intervention types and the number of homes each project is expected to unlock capacity for. We excluded projects which are closed or closing when conducting this analysis, given they are no longer proceeding with the funding. Since we completed the analysis in November 2025 a small number of projects have subsequently been identified as closed. Where we use the project data for funding analysis, we have used either spend or total funding allocated for each programme, depending on the data provided. Additionally, we used the project data to help identify and select local authorities to speak to, to ensure breadth in terms of funding received across the programmes.

13 We have used the project data to create the box and whisker diagrams in figure 6. We have not included projects statistically identified as outliers in the diagrams. We defined outliers as data points lying outside of 1.5 times the interquartile range from the top and bottom of the box.

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14 MHCLG and Homes England provided us with programme-level data for the unlocking land programmes which we aggregated to show financial allocations, commitments and spending across all schemes. These data reflect the financial situation as at September 2025 (quarter two in 2025-26) except for the BLRF and LRF programmes which is as at July 2025 (first third of 2025-26), due to the data reporting frequency. The data do not include information for the BLRF 2.4, which was launched in December 2025.

Local authority interviews

15 In September and October 2025, we conducted 15 online case study interviews with local authorities. These discussions helped us to understand their experiences of the unlocking land programmes and of working with MHCLG and Homes England. They also helped us to understand their perspectives on what central government is doing now and should be doing in the future to help support local areas unlock land for housing development.

16 We selected the following local authorities to provide breadth in terms of funding received from across the unlocking land programmes. We also considered regional spread, type of authority, and urban and rural mix. We also spoke to some local authorities recommended to us by the Districts Councils' Network. The full list of local authorities that we spoke to is as follows.

- Darlington Borough Council.
- East Suffolk Council.
- Folkstone and Hythe District Council.
- Greater Manchester Combined Authority.
- Huntingdonshire District Council.
- Kirklees Metropolitan Borough Council.
- Lancaster City Council.
- Leeds City Council.
- Oxford City Council.
- Oxfordshire County Council.
- Plymouth City Council.
- Rugby Borough Council.
- Stevenage Borough Council.
- Wealden District Council.
- Wiltshire Council.

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17 Additionally, in August 2025, we hosted a roundtable discussion alongside the Royal Institute of Chartered Surveyors, attended by representatives from local areas, who spoke about their experiences with MHCLG and Homes England's unlocking land programmes. In October 2025, we also spoke to members of the County Councils Network to understand the experiences of county councils.

Case study examples of unlocking land projects

18 MHCLG and Homes England provided case study examples of projects across most of the unlocking land programmes, which we used to deepen our understanding of how funding is supporting local areas, and MHCLG and Homes England's rationale for investing. We used this information to create Figure 2, which presents examples of projects funded by MHCLG's unlocking land programmes. We also used information provided by local authorities in this figure.

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