

National Affordable Housing Programme

Frequently Asked Questions

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1. Bid documentation

1.1 What documents are there for the 2008-11 NAHP?

The main documents for the 2008-11 NAHP are:

- (i) The NAHP 2008-11 Prospectus (issued September 2007);*
- (ii) The Pre-Prospectus (issued April 2007);*
- (iii) The Design and Quality Strategy (issued April 2007);*
- (iv) The Design and Quality Standards (issued April 2007);*

All of which are designed to be read together by organisations considering bidding in the 08-11 bid round. All of these publications are available on the Corporation's website www.housingcorp.gov.uk.

We will also be issuing:

- (v) External FAQs (following our briefing meeting on September 11)*
- (vi) Guidance on use of the IMS system*
- (vii) A list of strategic sites*
- (viii) A guidance note on the data items required in IMS.*
- (ix) Revised versions of the Grant Agreement, PPA and Funding Conditions for 2008-11.*

Bidders will also wish to refer to:

- (x) The Capital Funding Guide.*

1.2 Is there a separate Invitation to Bid document?

No there is no separate invitation to bid for this programme, section 6 of the NAHP 2008-11 Prospectus sets out the formal structure of bidding, including bid conditions and legal commitments.

2. Delivering National, Regional and Local Priorities

2.1 What are the Corporation output targets for 2008-11?

The output targets across the three year period have not yet been finalised; we expect the Spending Review position to be published in September or October 2007.

However, we do know - from the recent Housing Green paper - that the Government will be committing at least £8 billion to affordable housing through the NAHP in the period 2008-11 and that in 2010-11 the Government has a target of delivering 45,000 homes for social rent and 70,000 affordable homes overall.

2.2 How much funding is available in 2008-11?

The Comprehensive Spending Review has not yet been announced, but the Housing Green Paper of July 23 has announced that there will be at least £8bn available across the three year programme.

2.3 What is the split of resources between regions?

The split across the regions has not yet been announced and won't be signed off until after the 08 bids round process has been launched. We have said in the Prospectus that regions should assume that, for 2008-9 and subsequent years, that funding levels will be at least as high as those for 2007-8.

2.4 When will the Mayor's strategy for London be published?

The Mayor published his strategy on 18 September. The London section of the Prospectus was issued at the same time.

2.5 What standards are developments in the Thames Gateway expected to meet? Are these requirements?

We expect affordable homes in which we invest in the Gateway to be designed and constructed to enhanced standards. We set out in Annex 2 of our new Design & Quality Standards (see Section 1) an initial package of enhanced standards which will be mandatory for funded projects with 200 homes or more. For projects of less than 200 homes the application of enhanced standards is strongly encouraged, wherever practicable. In selecting Investment Partners for significant roles in the Thames Gateway, the Corporation will have regard to the extent of their commitment to delivering high quality.

2.6 To what extent should bidders consult with Local Authorities regarding their bidding plans?

The Housing Corporation recommends that all bidders (whether RSL or URB) discuss any planned bids with the relevant Local Authority. The Housing Corporation consults closely with Local Authorities to determine whether schemes are deliverable (through understanding of their planning status), and to assess their fit with national, regional and local priorities. The results of this consultation contribute to whether a bid is approved or rejected by the Corporation. Therefore, it is important that local authorities are aware of the sites, schemes and homes that partners are bidding to deliver in their area in order to make informed comments on bids.

3. Delivering for Communities

3.1 How do we evidence local authority support for the Growth Support (Affordable Housing) Fund?

Investment from the GS(AH) Fund will only be made where the bidding organisation can guarantee, following discussion with the host local authority, that at least 30% of the affordable housing will be made available to London boroughs through the Pan-London Choice and Mobility Scheme. Bidders should also demonstrate that the homes to be delivered will meet the priorities set out in the London section of this prospectus, which reflect the Mayor's draft Housing strategy

3.2 What monitoring arrangements will be put in place for the GS (AH) Fund?

Delivery of projects that have accessed the GS (AH) Fund will be monitored to ensure that the commitments made with respect to nominations are delivered. The process will be based on self-certification.

3.3 Please could you define the meaning of the Growth Support Fund (Affordable Housing) – Yes or No And if Yes % Nomination Offered.

Information on the Growth Support Fund in the Prospectus at paragraphs 26 and 27.

In IMS, you should only answer 'Yes' if the scheme for which you are bidding meets the criteria set out, and if you wish to bid for resources from the Fund.

The percentage nominations field refers to the minimum 30% nominations that eligible schemes must offer up to the Pan-London Choice and Mobility Scheme.

3.4 Can bids for Growth Support (Affordable Housing) funding be made for projects in areas which are submitting expressions of interest to become Growth Points?

Projects within aspirant Growth Points will not be eligible for the GS (AH) Fund at this stage. However this does not preclude bids through the regular market engagement process, following Government decisions on additional Growth Points.

3.5 For the GS(AH)F schemes - can you advise if supplementary information is needed or should the issues of out of London allocates be described in a note on the IMS system in the bid?

IMS is fine.

3.6 Is it (GS(AH)F) available throughout the regions adjoining London – i.e. throughout the East of England, and the South East – or only in the Growth Areas and Growth Points within these regions?

Funding is available both to the Growth Areas, Growth Points and the regions adjoining London (i.e. East, and SE).

3.7 For the Growth Support (Affordable Housing) Fund are the nominations to London only at first let or in perpetuity?

That decisions on how nominations arrangements for GS(AH) F are to be implemented and monitored are still being made, and for the moment bidders are advised to presume the agreed % of nominations will be available to London boroughs in perpetuity.

Vulnerable People

3.8 Do supported housing projects need a guarantee of revenue funding?

No - a guarantee of revenue funding is not required. However, bidding organisations seeking to provide Supported Housing projects will need to evidence:

- *The proposed source for any revenue grant to support the management of the scheme; and*
- *That the scheme has the explicit support of the relevant revenue provider and is aligned with the priorities set out in the relevant strategy.*

3.9 Will you fund remodelling?

Yes. Where appropriate we will support bids for the remodelling or re-provision of existing schemes where it can be shown as representing value for money in the use of Grant.

3.10 Please clarify as to whether the 3 habitable room requirement applies to Extra Care housing and if so what the process is for agreeing an exception to this standard?

3 habitable rooms should apply to all housing for older people including extra care. The process for agreeing exemptions should be with regional investment teams. Extra care may conceivably have greater grounds for exemption (demand or affordability).

3.11 Will you fund 'extra-care' provision?

Yes, but bidders will need to be clear about what they mean by 'extra care.' There is increasing interest in housing with care and support that may be called 'extra care' particularly for older people. However, extra care can encompass a very wide range of schemes and client groups and there is no

single clear definition. Bids will therefore need to conform to our published definitions and standards for housing for older people and supported housing.

3.12 Will you fund home ownership for people with long term disabilities?

Yes. The Housing Corporation has a product, Home Ownership for people with Long term Disabilities; know as HOLD, specifically to address the needs of this client group. However, the allocation for this product is limited and we would always encourage associations to seek to house this client group wherever possible and practicable, through the mainstream product range.

3.12 Will you support new intermediate care units?

No. The Corporation is not able to support new intermediate care units.

BME

3.14 Do we have to submit a BME method statement?

All bidders seeking to develop in areas with significant minority communities (that is areas where the BME population exceeds 10% of the total population) need to produce a method statement demonstrating how their proposals meet the needs and aspirations of all communities, including how bidders will work with BME organisations in relation to the development of schemes.

3.15 Is a BME method statement required for each project?

A BME method statement should be submitted for each region - within which a bidder is submitting bids in local authorities where more than 10% of the population is from a BME community. Method statements should highlight differences in approach between local authority areas as appropriate.

3.16 Is a BME method statement required for each local authority?

No. A BME method statement should be submitted for each region where development is planned, highlighting each of the local authorities within that region, where more than 10% of the population is from a BME community

3.17 What should the BME method statement include?

A BME method statement must include as set of responses to the following set of questions.

- How do the set of schemes proposed relate to any requirements of Regional Housing Strategies relating to the needs of BME communities?*
- How do the set of schemes proposed relate to any requirements of Regional Housing Strategies relating to the needs of BME communities?*

- *How will you work with community partners to meet the needs of BME communities? and*
- *What community partners have you engaged with on the scheme, how and or what activities?*

3.18 Who should sign the BME method statement?

The completed BME method statement should be signed by or on behalf of the chair or chief executive, or nearest equivalent, of each community partner named and by the bidder.

3.19 The Housing Corporation has requested that a BME method statement is produced for each region where a potential scheme is in a local authority where more than 10% of the population is from a BME community. However, as indicated in Annex 1: Regional priorities, under East of England BME theme – it indicates that EERA proposes to allocate this ‘pot’ to sub regions as a reward to those “who are able to demonstrate a culturally sensitive approach to new housing provision”. Our understanding is that the Region will allocate funding to bespoke BME schemes and allocate the rest under this reward system to sub regions to be used as general growth bids. On this basis is it necessary for any RSL to produce a method statement for the East of England?

Any RSL that develops property in a LA area where there are BME populations equating to 10% or more of that LA's population will need to produce a method statement.

One of the reasons for this is to ensure that BME groups have equal access to the accommodation that is being developed in that area. It is correct that in the East of England we will allocate extra funds to those sub regions that can demonstrate a culturally sensitive approach to new housing provision. Yet this means it is all the more important to gain a BME method statement from the RSL's/developers that intend to deliver affordable housing in that area.

Paragraph 162 of the Prospectus notes that Method Statements should be provided for bids including projects in areas deemed by the RHS as having significant BME housing need.

3.20 There is no longer any opportunity in IMS to indicate where lettings will be to ethnically mixed communities - the drop down box for 'targeted ethnic communities' requires one selection only. Where a scheme will be let to mixed ethnic groups, how can this be shown?

You are only asked to indicate target groups for letting. Where there is a mixed group of communities on a bid you are able to state this at the product level through selecting the 'mixed group' option in the drop down list.

3.21 We work in 2 regions, for now, we will only have bids for 1 region and we expect to have bids for the 2nd region in future market

engagement sessions. Do we therefore submit only 1 BME method statement for the 1 relevant region?

Please submit a BME method statement for the Region which your current bid refers.

3.22 Could you please also advise on the same principle but for different LAs within the same region?

A BME method statement should be submitted for each region - within which a bidder is submitting bids in local authorities where more than 10% of the population is from a BME community. Method statements should highlight differences in approach between local authority areas as appropriate.

3.23 As an unregistered body, we will be transferring ownership of all our affordable units to an RSL partner. Is it for us to undertake the Method Statement? Or should the BME Method Statement therefore be provided by the RSL partner who will ultimately let and manage the properties?

All bidders seeking to develop in areas with significant minority communities (that is areas where the BME population exceeds 10% of the total population) need to produce a method statement demonstrating how their proposals meet the needs and aspirations of all communities, including how bidders will work with BME organisations in relation to the development of schemes. However we do say in the Prospectus (page 25 paragraph 65) that "Relevant sections of the method statement may best be completed by the bidder's partners or contractors (for example, in addressing lettings or housing management where these functions are to be transferred). However, the completed statement should be assembled and submitted by the bidder. The process for submission is set out under Supplementary Information Requirements in Section 7."

3.24 Are you accepting bids for Gypsy and Traveller sites?

No. Regional Assemblies will propose that a proportion of their regional housing pot is available for the provision of new sites and to improve existing sites in 2008-11. The delivery mechanism for this funding will be announced by Communities and Local Government in autumn 2007.

However we welcome bids for projects providing settled housing which has been designed to meet the particular needs of Gypsies and Travellers.

Rural

3.25 Will there be a national target for rural housing?

Yes. A national target for rural housing will be agreed in autumn 2007 - based on the regional targets set by Regional Assemblies.

3.26 How will you monitor rural plot values?

We will monitor plot prices on exception sites and, as for any bid, will reject schemes offering poor value for total public subsidy. If local strategies have set maximum plot prices we will have a presumption of respecting these.

3.27 How are rural areas defined?

The Government defines rural areas based on settlement form and sparsity (The Office for National Statistics has published a cross Government accepted definition of urban and rural areas at <http://www.statistics.gov.uk/geography/nrudp.asp>). According to the definition, rural settlements are those with less than 10,000 population. However, we pay particular attention to the needs of rural communities with populations of fewer than 3,000 people and the Government is keen to encourage developments in smaller rural settlements as well as larger urban fringes. A list of settlements in England and their population can be obtained from the Rural Settlement Gazetteer, available from www.housingcorp.gov.uk.

3.28 Are there targets for rural housing at a regional level?

Yes. These are in the process of being agreed by Regional Assemblies in their refreshed Housing Strategies.

4. Products and programmes

4.1 What is social rented housing?

Social rented housing is the most affordable form of housing produced. These are homes produced which are let to people in housing need, with rent levels determined by the target rents.

4.2 What are Choice Based letting schemes?

Choice-based lettings (CBL) schemes are a way of allocating social housing through giving tenants a greater say over where they live.

The schemes allow people to apply for advertised social housing vacancies – often in the local press or through an inter-active website. Applicants can see the full range of available properties and apply for any home to which they are matched. The successful applicant is the person with the highest priority for the property which they have bid for.

4.3 What is the Right to Acquire?

The Right to Acquire is a statutory scheme giving eligible tenants of registered social landlords and unregistered bodies, who retain ownership of rented homes, the legal right to buy the home they currently rent. To qualify for the scheme a property must have been built or purchased by a registered social landlord, funded on or after 1 April 1997 through social housing grant provided by the Housing Corporation or a local authority.

4.4 What is temporary social housing?

Temporary social housing are homes which are being leased for more than 2 years but not more than 30 years. These are homes that may otherwise remain empty and unavailable for social housing. Examples are properties over shops in town centres or those awaiting redevelopment or sale.

4.5 What is co-housing?

Co-housing projects are mixed tenure developments with shared facilities for residents. Any funded projects would need to conform with Corporation investment and regulatory requirements, including access to men and women.

4.6 What is the Settled Homes Initiative?

The Settled Homes Initiative is being run as a pilot scheme in London, to look at innovative and cost effective ways of providing good quality permanent accommodation, initially at rents which are higher than target rents, but lower than current Housing Benefit Temporary accommodation rents, for an agreed initial period (likely to be 10 – 15 years), after which the rent will convert to target rents.

4.7 Can I bid for Settled Homes Initiative through the 2008-11 NAHP?

No, the Corporation is not inviting proposals for temporary to settled projects outside London through this initial NAHP 08-11 bid round. Details of how to apply for funding will be provided after the launch of the main bid round

4.8 Will you fund repair of existing properties?

Yes. The Corporation will accept bids through the NAHP 08 - 11 for repairs to existing RSL owned social rented stock. Note that most stock receiving grant after the introduction of mixed funding through the Housing Act 1988 is not eligible for such support. Full details of eligible properties and types of work are given in the Corporation's Capital Funding Guide, under Repair. There are only limited funds and this is only for circumstances where RSLs cannot fund it themselves.

4.9 I have been asked to bid for major repairs funding on behalf of several small RSLs for the period 2008/09. Will these organisations have to have been pre qualified as partners to do this?

If you want to bid for funding through the partnership route, you need to pre-qualify. Alternatively you can bid through the Specialist funding route. In order to qualify for funding under the Specialist route your bid will need to meet one of the six thematic criteria. Please see paragraphs 205 – 210 in the Prospectus.

However, as per paragraphs 85 and 86 in the NAHP 08-11 Prospectus, for applicants to be successful for funding will be dependent upon having eligible stock i.e.pre-1988, the Regional Housing Strategies setting aside sufficient resource for repairs. In all cases bidders will be expected to present a case as to why repairs cannot be funded through existing business plans.

4.10 Will you fund the remodelling of supported housing?

Yes. Where appropriate we will support bids for the remodelling or re-provision of existing schemes where it can be shown as representing value for money in the use of Grant. We will want to see evidence that:

- (i) the scheme is no longer suitable for the needs of the client group or that the existing client group is no longer a priority for provision;*
- (ii) there is ongoing need for the remodelled scheme and that it will continue to meet need for years to come; and*
- (iii) there has been a full options appraisal of the relative value of the remodelled scheme against provision of a new scheme (and similarly for replacement projects we will want to see evidence that this better meets client needs than remodelling).*

4.11 Will you fund Aids and Adaptations?

No.

4.12 Are you funding outright market sale?

See the Pre-Prospectus page 27 paragraph 4.42.

4.13 What service charges can be levied?

The Corporation expects that service charges to tenants should be transparent, fair and offer good value for money. The level of service charge must be affordable for the intended client group.

4.14 Can we offer New Build HomeBuy at shares lower than 25%?

No. The minimum initial share for NBHB remains at 25%.

4.15 Do NBHB developers need to sign a Service Level Agreement with HBAs?

Yes. Organisations engaged in the delivery of NBHB are required to agree a standard Service Level Agreement with their relevant HomeBuy Agents covering sharing of information and processes for identifying potential buyers. The current standard Service Level Agreement is available on the Housing Corporation's website.

4.16 Should the supplementary information be submitted as a separate document for each project?

We do not require a separate document for each NBHB project for your partnership. Instead we need all of the partnership's NBHB projects for a particular region listed in a single document by sub heading. If you have particularly large programme in a single region, then feel free to split it over 2-3 documents as appropriate if a single document is becoming unmanageably large.

If this is the case the suggested naming convention would be:

*Sappling-NBHB-South East 1
Sappling-NBHB-South East 2 and so on.*

Similarly, if you also had NBHB schemes in for example the South West Region, you would then list all of NBHB in a South West Document following the same naming convention.

4.17 When will you publish further information on the charitable status of NBHB?

Guidance has now been published in draft on the NAHP 08-11 web pages. This can be found at www.housingcorp.gov.uk

4.18 Does leasehold enfranchisement affect URBs who do not wish to retain ownership?

No. For the NAHP 06-08 we advised that, due to the absence of any specific exclusion for Unregistered Bodies from leasehold reform legislation, and the consequent risk of leaseholder enfranchisement in respect of shared-ownership houses, Unregistered Bodies intending to retain ownership of homes should not bid for NBHB (this does not apply for flats or where houses are to be transferred to a housing association as an Agreed Transfer before the grant of the Shared Ownership Lease.) We are extending this advice to the NAHP 08-11.

4.19 Have changes been made to the Social HomeBuy product and will grant rates change to fully compensate providers?

In April 2007, the Government and the Housing Corporation announced that the discount available to the purchaser on the initial sale is pro rata, according to the share of the full equity being bought. From April 08 further discounts, again pro rata to the share bought, will be available to homebuyers in additional staircasing purchases. The cost of the discount to the landlord is again covered by grant. Further changes will also be covered by changes in grant support.

4.20 Will there be further changes to the SHB product?

In the Housing Green Paper of July 23, the Government set out its ambition for the future development of the Social HomeBuy scheme. Currently Social HomeBuy is offered, on a voluntary basis, by 78 housing associations. Government is keen to go further and see the product being more widely available and plans to announce proposals later this year (2007) as part of its response to John Hills' review of social housing.

4.21 Can we bid for Home Ownership for People with Long-term Disabilities (HOLD)?

There are no restrictions on regions or areas where organisations wish to bid to deliver this scheme.

4.22 Can only HBAs bid for Hold?

No. The Housing Corporation is keen to encourage more specialist and Investment Partners to bid for an allocation to deliver Hold.

4.23 Could you confirm what heading you require for bids for HOLD Home Ownership for people with Long-term Disabilities? In section 275 of the prospectus it is not clear which of the headings would cover such bids.

The HOLD product is regarded by the Capital Funding Guide as a sub-product of the NBHB product. For the purposes for supplementary information please use the New Build HomeBuy project heading.

In the supplementary information that you provide we are keen to hear from providers how they will address the following issues:

- *Affordability. How providers intend to set rents on the un-owned share at a level which serves to encourage take up. How providers will ensure that applicants can afford and sustain home ownership longer term, whilst being encouraged to maximise initial purchase from the outset.*
- *Meeting need. Provide evidence of local need and fit with local and regional housing priorities.*
- *Support for home buyers. Provide evidence of how they will support and advise home buyers through the purchase process.*
- *Local relationships. Providers are expected to demonstrate how they will form excellent relationships with the HomeBuy Agents.*

4.24 Will HomeBuy Agents operate throughout the 2008-11 NAHP?

The Housing Corporation has decided to extend current contracts with the existing HomeBuy Agents for another year 2008-09. We expect to hold a competition to attract new organisations to bid for HBA contracts towards the end of 2008-09, once we know the outcome of the Shared Equity Competition and the future shape of the Open Market HomeBuy product.

4.25 Are there are criteria/ guidelines for the practicalities of how Community Land Trusts' can partner and how RSL's can facilitate? Also can you confirm that the contract between the CLT and the RSL is to manage the financial aspects of delivery and that the CLT is free to procure/ manage other aspects of the development?

There is no additional guidance. The Prospectus states at paragraph 207, Bidding and development will be conducted by a partner affordable housing provider, who will need to be either an Investment Partner, or eligible for funding under the specialist route. So we are expecting the RSL to be the developer.

- *Onward transfer by contract. The logistics of this are that the CLT will have to transfer land to the Registered Social Landlord (RSL). On completion of the contract the RSL will transfer land and property to the CLT (Housing Corp. will suspend Section 9 on Consent which stipulates that RSL's are not allowed to dispose of assets to non-RSL's otherwise grant is repayable). There are many issues to be resolved tax, liabilities, asset transfer etc.*

We agree with this; but we recognise that there are issues to be resolved in particular with regard to grant recovery and transfers.

- *Intended housing must meet evidenced housing need and nominations to properties need to be agreed (with?)*

The LA.

- Assessment based on business plan and value for money (grant? Finance?)
Value for Grant.

- Not target rents.
That's a matter for the CLT to determine.

Recycled Capital Grant Fund

4.26 Are you introducing a link-to-value for recycled grant for HomeBuy products?

Yes - we have made an in principle decision to make a link-to-value in recovering grant for OMHB and NBHB. However, introduction of the link-to-value is subject to outcomes of the Shared Equity Competition (for OMHB) and performance on efficiency and affordability in bids to the NAHP 08-11 (for NBHB). An implementation of a link to value for NBHB will not apply to projects agreed within the initial NAHP 08-11 bid round.

4.27 Will the changes to RCGF be retrospective?

No, any future changes will be prospective.

4.28 Will the link to value for RCGF apply to bids in this bidding round?

No. If the link to value is introduced it will only apply prospectively i.e. to future regular market engagements.

4.29 How will a link to value be calculated?

On the basis of clarity and simplicity we have chosen to calculate the link to value to reflect grant as a proportion of value at initial sale.

4.30 Please can you confirm at this stage that the changes in RCGF proposals will only come into effect for schemes that are bid for after the initial bid round for 2008/11 and only after clear guidance is available.

The Corporation accepts in principle making a link-to-value for New Build HomeBuy, but intends to reserve judgement on whether to introduce changes to the treatment of RCGF until after it has received and assessed bids from organisations at the initial bid round. Should the decision be to implement a link-to-value, this will be entirely prospective and will not affect bids received at the initial bid stage.

Key workers

4.31 Is intermediate rent only for key workers?

Intermediate rent is primarily aimed at key workers, but limited provision may also be available in other areas through Regional Housing Strategies.

4.32 How are rents calculated for intermediate rent?

The rent of homes available for KWL Intermediate Rent must not exceed 80% of the current local market rent. Wherever possible a figure significantly lower than this but higher than social rents should be anticipated. Annual rent increases must be limited to RPI plus 0.5%.

4.33 How are nominations handled for intermediate rent?

Nominations to Key Worker Intermediate Rent properties are made by HomeBuy Agents; nominations to other Intermediate Rent properties are available to the developer on principles agreed with the Corporation.

4.34 How are key workers defined?

For the purposes of Key Worker Living, a key worker is someone employed by the public sector in a frontline role delivering an essential public service in the areas of health, education and community safety where there are serious recruitment and retention problems. Key workers who may currently get help are listed in the Capital Funding Guide.

4.35 Will NBHB providers receive a target for housing key workers?

Yes, but these targets will be based on information supplied at bid stage. The Government, working with the Housing Corporation, is committed to assisting 30,000 Key Workers into home ownership in London, the South East and East of England in the five years to 2010 (other regions may also chose to priorities key workers for assistance). To complete delivery of the Key Worker Living (KWL) Programme for 2010 we will need to work with providers to house eligible Key Workers both through Open Market HomeBuy and New Build HomeBuy.

5. Competition and programme framework

5.1 What are the regional efficiency targets?

These are set out in full in the Prospectus section 5 paragraph 161.

5.2 Do the efficiency targets shown in the Prospectus include or exclude Inflation and achievement of Code for Sustainable Homes 3*? Proposed Percentage regional efficiency gains are shown at paragraph 161 of the *Prospectus*.**

These are applied to the average grant per unit achieved in the region in the 06-08 bidding round, after inflating that grant per unit figure to take account of inflationary pressures on land and build cost. For example, if one assumes 6% inflation in land and build costs, an efficiency gain of 6% will mean that the grant per unit figure sought for 08-11 will broadly be the same as that for 06-08. Details of the Corporation's national efficiency target, and how measurement of its achievement will take into account actual rates of inflation, will be agreed as part of the conclusion of the CSR process in autumn 07.

No adjustment to the base unit costs from 06-08 is made for the cost of achieving CSH in 08-11. In other words, it is assumed that any costs of implementing CSH will be absorbed within the grant per unit levels produced by applying the regional efficiency percentages to 06-08 levels (and accounting for inflation.)

5.3 What is the funding period for strategic sites?

The NAHP 08-11 is introducing five year funding for strategic sites. We are inviting bids from Investment Partners for schemes on strategic sites which will start-on-site in the five years to the end of March 2013.

5.4 Where can I get a list of strategic sites?

Strategic sites are defined by Regional Assemblies / the Mayor of London, and are published on our website.

5.5 Can bidders nominate a site as strategic?

No - strategic sites are only those identified by Regional Assemblies/ the Mayor of London and published by the Corporation. We will only accept bids for five year funding where these offer high quality and excellent value and where certainty of funding is needed to unlock delivery of a site as a whole.

5.6 When will be the next opportunity to bid?

Additional allocations will be made quarterly from October 2008 to October 2010 or until resources are fully committed.

Planning section

5.7 How should I calculate a value for an on-site S106 contribution?

The value of the developer's S106 affordable housing contribution will be reflected in the reduced price for the affordable homes agreed with the developer. The value of this contribution can be assessed by subtracting the reduced affordable housing price from the Open Market Value (OMV) of the affordable homes. The difference between the two represents the value of the developer's contribution to the affordable housing.

5.8 How should I calculate the value where the developer contribution is in terms of "free land"?

Exactly the same principle will apply if the developer's S106 contribution is negotiated in terms of "free land". The difference between the price to be paid for the affordable homes and their OMV will represent the value of the "free land" as well as the value of the developer's S106 contribution to the affordable housing. The value of serviced land will be much higher than the value of un-serviced land.

5.9 Do we need to have the Open Market Value certified?

No, OMV certification is not a requirement at bid stage, however value assumptions used for the purpose of estimating the value of S106 developer contributions may be tested by the Corporation when assessing bids. Bidders are advised to use valid current sources of information for estimation OMVs such as those available from Hometrack.

5.10 What information do I need to provide if bidding on a S106 site?

Bidders need to demonstrate that requested grant is providing additionality and that an appropriate level of developer contributions to affordable housing has been achieved taking into account site financial viability. This will typically require an assessment of the affordable housing that can be achieved without grant alongside an assessment of the added value that grant is achieving in the form a) additional housing units b) a more appropriate mix of tenure increased quality and standards c) combination of the above. The Prospectus (see section 5) details in order of preference (see paragraph 180 in the Prospectus) the certification required to demonstrate the above.

*Note that bidders are **not** asked to submit information but, through IMS, to certify its availability on request. Bidders' responses will be validated by Local Planning Authorities.*

5.11 Do developments on S106 sites need to meet the Corporation's design and quality standards?

Yes. But in the case of compliance with Code for Sustainable Homes, the Corporation has been granted special dispensation to issue waivers for the

grant-supported Section 106 element of schemes targeted at the private market by developers where the grant-funded element forms only a small proportion of the developer's overall scheme. The Corporation will use this dispensation only in exceptional circumstances and where there are other benefits to funding.

5.12 For paragraph 180 subsection (i) what represents a "recognised tool"

Our strong preference is for the Corporation's EAT to be used as this will give the Corporation a more manageable data set. In London the GLA's Development Control Toolkit is widely used by London Boroughs in negotiating affordable housing planning obligations, and as such is acceptable to the Corporation's London Region. In instances where the a Local Planning Authority and the developer seeking planning consent have used an alternative, recognised and auditable financial appraisal method as a basis to agree planning obligations, we would be open to considering their use, where this is auditable, based on residual land value methodology, and, critically, looks at the economics of the whole site including affordable and market housing and non-residential uses. An appraisal of the affordable element of the scheme only is not sufficient.

5.13 For paragraph 180 subsection (i) who will validate the economic appraisal?

Because of the sensitivity of assumptions in a residual value modelling exercise it is necessary for the assumptions to be tested and agreed to be reasonable by parties to the S106 negotiation. We would expect confirmation from the Local Planning Authorities that the assumptions are agreed to be valid, or a copy of advice from their commissioned independent experts.

5.14 For paragraph 180 subsection (iii) who will validate the appraisal?

Bidders are asked to certify through IMS that an assessment of the additionality achieved by grant is available, in one of the forms set out in (i) to (iii) in paragraph 180 (which are in order of preference.) Where the bidder opts for (iii) the Corporation will ask the relevant local authority to validate the additionality claimed through the pro forma reproduced at Annex 4.

5.15 In relation to the Economic Appraisal Toolkit what should we do in the event that the developers will not provide us with sufficient information relating to the overall site, bearing in mind such information maybe considered as commercially sensitive?

The Corporation is asking for certification (where a project is also supported by a developer contribution under a S106 agreement) of the additionality achieved by grant. The options for certification are set out in paragraph 180 of the Prospectus. Our preferred option is for bidders to certify that there is a completed economic appraisal for the development using a recognised tool, such as the Corporation's EAT, and the values produced for the grant sought.

However, this will have been completed, in consultation with the relevant Housing Corporation regional team, as part of earlier negotiation, e.g. of the S106 agreement. We are not looking for bidders to unilaterally complete the tool following agreement of the S106 requirements.

5.16 For a developer owned site, if there isn't a signed S106 agreement at time of bidding will we be restricted from getting grant?

If the agreement is not in place, then the bid should be withheld and resubmitted at the next opportunity (through the regular market engagement process).

5.17 Developer's contribution may vary between bid stage and delivery of the scheme as a result of changes in the economics of the scheme. What should we enter at this stage, and how will variations in the future impact on our bid/scheme?

It is expected that affordable housing delivered through s106 should be maximised through the planning process and developers contribution. Bidders are discouraged from submitted speculative bids and encouraged to apply for grant with certainty of delivery in the planning system.

5.18 If an RSL is purchasing a site and building 100% affordable housing on the site and there is no s.106 agreement, is there still a requirement for an Economic Appraisal as outlined in paragraph 180?

No. Our requirements for the validation of the level of affordable housing being provided through an on-site developer contribution under a s106 agreement are set out at paragraph 180 of the Prospectus. No such validation is required when there is no on-site developer contribution. Note paragraph 180 does not require an Economic Appraisal (see Q&A 5.14 for a discussion of alternatives).

5.19 In terms of the cascade agreements described in Paragraph 180 (ii) of the Prospectus do they need to take on any particular form?

There isn't a single template for a cascade.

The particular form of the cascades agreement will depend upon the particular characteristics of the scheme and the requirement of the Local Planning Authority. Where the Agreement specifies amounts of Grant that might be available against particular affordable housing outputs, the Corporation would expect to have been involved at an early stage of their negotiation.

A recently published report Cascades: Improving certainty in the delivery of affordable housing for large-scale development a joint EP, Advisory Team for Large Applications (ATLAS) and the Housing Corporation and is available from the HC website at www.housingcorp.gov.uk

5.20 Do commuted sums count as Other Public Subsidy?

No commuted sums are not treated as OPS. The benchmark data can be generated separately for S106 and non-S106 projects. Where a project does not have an on-site developer contribution, but does have additional subsidy from a commuted sum, then it should still be benchmarked against the S106 data.

Assessment

5.21 Can I bid through the partnering route if I have not pre-qualified?

No. Only organisations that have pre-qualified or existing partners that have met their 2007 targets can bid for grant using the partnering route.

5.22 Can I bid for nil grant units?

Yes. As in previous bid rounds, Investment Partners are invited to submit projects for which there is no new grant requirement. Nil-new grant projects using recovered grant (RCGF or DPF) will need to meet Corporation Funding Conditions, and the bid conditions set out in Section 6,) including the relevant Design and Quality Standards.

5.23 When can I bid through the specialist route?

Organisations bidding for grant through the specialist route are invited to bid as part of the 08 bid round.

5.24 Will it be possible for a specialist bidder to bid for projects between October 2008 and October 2010?

We are thinking about the best way to give access to the specialist funding route during the NAHP 08-11. Some access will be available, and RME is one of the main routes being considered.

5.25 If bidding only for re-improvements and major repairs to our own stock for supported housing do we need to submit any supplementary information, for example do we need to complete paragraph 49 of section 3 - our interpretation is that this would only be for new projects.

Supplementary information is required for all supported housing bids

5.26 Is information explaining our reasons for using the specialist route collected in the comment box of IMS or are we expected to submit this in a separate email.

All bids received via the Specialist Route will need to set out a case as to why they could not be bid through the Investment Partner route. Bidding organisations should do this as part of the supplementary information supporting the bid (as per page 63 paragraph 260 of the Prospectus).

5.27 What are the assessment criteria?

There are four principal assessment criteria against which bids will be measured. These are:

- *Value: in terms of total public subsidy per home and per person housed. Total public subsidy is our grant plus other eligible funding; it is defined fully in the Pre-Prospectus and Capital Funding Guide (www.housingcorp.gov.uk.)*
- *Quality: judged using our Design and Quality Standards, and rewarding quality above the minimum standards set for all projects.*
- *Deliverability: with particular concern for planning status.*
- *Policy fit: judged by fit with national, regional and local strategies.*

5.28 Where can I find the Other Public Subsidy section within the Capital Funding Guide.

It is in General/ Finance/ Overview/ Section 1.4. The Capital Funding Guide can be found at www.housingcorp.gov.uk

5.29 How does the grant index work?

The Grant Index is described in paragraphs 220-223 in the Prospectus.

5.30 The development of a site is sometimes phased. If one scheme on a site completes in a later year than the others, should this affect the Time Adjustment for all the schemes? Or will it take the completion date for the majority of units? Or should it work out a Time Adjustment for each scheme which is then weighted by the number of units, or amount of grant involved?

Each scheme (or sub product) is adjusted separately within a project so the completion dates will be adjusted accordingly for the whole project. Each sub product has an individual grant amount attached so the adjustment is applied to that part and then added to all other adjustments from any other sub products within that project.

5.31 Will developer contributions under a S106 agreement be included as OPS within the GI?

No (and note this is a revision to the position stated in the Pre-Prospectus.) We will be ensuring additionality is achieved on our grant to projects with an on-site developer contribution through benchmarking against comparable bids and consultation with the local planning authority.

5.32 Is the time adjustment of 6% pa compounded?

Yes the time adjustment is compounded, so for a scheme completing in 2010/11 we apply a factor of 12.3%, rather than 12.0%.

5.33 When a bid is completed on the IMS system, the Grant Index on the Update Project – Scheme screen is showing a zero. Why is this? Is it rounding down to one decimal place or are we not allowed to see the Grant Index score ?- would be grateful for your comments.

The GI is for internal assessment use only so external users will not see the score.

5.34 What is the timetable going forward?

<i>Launch of the pre-qualification process, publication of the Pre-Prospectus and Design and Quality strategy</i>	<i>5 April 2007</i>
<i>Deadline for pre-qualification submissions</i>	<i>17 May 2007</i>
<i>Publication and confirmation of Housing Corporation NAHP 08-11 Investment Partners</i>	<i>26 July 2007</i>
<i>Publication of the Prospectus and launch of the bid round</i>	<i>4 September 2007</i>
<i>Close of bidding</i>	<i>2 November 2007</i>
<i>Presentation of draft regional Programmes to Regional Assemblies / Mayor of London</i>	<i>January 2008</i>
<i>Presentation of draft national Programme to the Minister for Housing and Planning</i>	<i>February 2008</i>
<i>Announcement of Programme; commencement of signature of Programme Partner Agreements/Grant Agreements by Investment Partners.</i>	<i>March 2008</i>
<i>Commencement of the NAHP 08-11</i>	<i>1 April 2008</i>

5.35 Do we have to complete a financial workbook?

No. The Corporation is launching a new, simplified online bidding system, which incorporates simplified data requirements. We will not therefore be asking for separate financial workbooks.

5.36 What is the deadline?

The bid round closes 5pm 2 November 2007.

5.37 What is regular market engagement?

In contrast to previous programmes, the Corporation does not intend to allocate all of the available resource through the initial bidding round and for the start of 2008/09. This will allow providers to access investment for new development opportunities, through additional market engagements, arising during the course of the Programme. Additional allocations will be made quarterly, from October 2008 to October 2010 (or when resources are fully committed) and are available to Investment Partners only. However, we will

consider in the light of progress in the bid round the value of holding a further market engagement closer to the completion of the main bid round.

5.38 Do nil grant schemes have to meet Design and Quality Standards?

See Prospectus paragraph 196.

5.39 How will bids for larger houses be assessed?

Our value for money assessment, using the Grant Index (GI) takes account of both grant per unit and grant per person and provides a ranking based on comparative scores for other projects in the region. By including grant per person, we can ensure that larger houses are not disadvantaged in carrying out our value for money assessment. Where regional strategies indicate that projects including larger homes are a strategic priority based on an assessment of need, (including setting a target for the achievement of such homes), projects which provide larger homes will be assessed as having a good strategic fit. Other elements of our assessment process relating to deliverability and quality will be assessed in the same way as for all other bids.

6. Assessment

6.1 Do I need to submit supporting information for every supported housing bid?

Yes. This is set out in paragraph 49 of the Prospectus.

6.2 How can we show that our NAHP is aimed at social tenants?

Existing and prospective social tenants are given the highest priority amongst the groups eligible for assistance by the Corporation in its contract with the HomeBuy Agents. The Corporation considers that bids for New Build HomeBuy schemes have a good strategic fit if they show consideration of demand from current social tenants for new homes, in terms of design and size, location and marketing.

6.3 How will affordability be taken into account in assessment of NBHB?

To promote affordability we will consider that bids for New Build HomeBuy schemes have a good strategic fit if they:

- *set rents on the un-owned equity at significantly less than 2.75% (within the absolute cap of 3%); and/or*
- *offer large numbers of small share sales, with an average of 50% or below.*

Supplementary information

6.4 What supplementary information do I need to submit for NBHB projects?

For each NBHB project (using the project name, region and local authority as a sub-heading) Bidders must submit the information described in paragraph 108 of Section 4, or for projects deemed as of particular relevance to Key Workers (as described in paragraphs 154–156 of Section 4) the information described in paragraph 156.

6.5 The format and inclusion of certain supplementary information has been dealt with in the prospectus, however it is not clear whether we can include any other additional information from that which is specified on pages 61-63. For example, if we wanted to include some details about sustainability on a particular scheme, how should this be submitted?

Also, there is a comments box on IMS, can you please clarify what this can/should be used for?

Yes it is possible to submit additional information, such as further sustainability information on a particular scheme. Please email any additional information to suppinfo.nahp08-11@housingcorp.gsx.gov.uk, following the same naming convention outlined for Supplementary Information in the Prospectus. Please also ensure the Scheme number is included in documents where any additional information relates to a specific scheme(s).

There is a general comments facility which can be used by the provider to submit any further details against the sub product that they wish, but its not intended to be the mechanism by which Provider submit the supplementary information. There are also comment fields on certain screens within the system, such as that for HQL, where comments have to be added that are specific to the data on the screen, the system indicates if they are mandatory on saving.

6.6 As an unregistered body, we will be transferring ownership of our NBHB affordable unites to an RSL partner. Do we need to complete a Method Statement for NBHB?

Relevant sections of the MS may best be completed by the bidders' partners or contractors; however the completed statement should be submitted by the bidder.

This is a requirement for all bidders seeking funding for NBHB projects. For each NBHB project (using the project name, region and local authority as a sub-heading) Bidders must submit the information described in paragraph 108 of Section 4, or for projects deemed as of particular relevance to Key Workers (as described in paragraphs 154–156 of Section 4) the information described in paragraph 156.

6.7 Page 70, paragraph 307 of the Prospectus requires all bidders to include statements as part of their supplementary information. What form should this take - on headed paper, letter form? Does this statement need to be signed and if so by whom? As its supplementary information can I assume this should be e-mailed?

The form that supplementary information should take is not specified. With the BME Method statement we've asked for a signature from CE or nearest operating equivalent, advice would be to follow that principle. Supplementary information can be e-mailed to suppinfo.nahp08-11@housingcorp.gsx.gov.uk

6.8 Page 64, paragraph 270 (iv) supplementary information to be attached to an e-mail. Can I assume several e-mails can be sent or one per scheme, as to put all supplementary info on one e-mail would cause system delivery problems due to the size.

Emails containing large amounts of information (i.e. a large number of word docs.) can be zipped, otherwise a number of clearly linked emails would be acceptable.

6.9 We have a query in relation to Paragraph 108 of the Prospectus.

It states that bidders must submit a method statement as part of their Supplementary Information covering points as outlined in this paragraph.

It is not clear whether such a method statement should be included on each supplementary information sheet for each New Build HomeBuy bid or whether the Housing Corporation is looking for an overarching method statement that relates to all New build HomeBuy bids which is submitted at the same time as the Supplementary Information Sheets.

We're looking for a Method Statement for each NBHB project that sets out how the scheme will meet local need.

6.10 For supplementary information, the NAHP prospectus indicates that information is needed separately for NBHB and Key worker schemes - could you clarify whether information on Key worker components of NBHB need to be on a separate document to non-Key worker NBHB?

Please refer to the Prospectus paragraph 257, this makes clear that bidders are required to provide either affordability supplementary information or Key Worker information where relevant, not both.

6.11 I don't have access to IMS. Can I do an HQI assessment any other way?

The Housing Corporation is providing a downloadable spreadsheet which will outline the same questions as the HQI assessment in IMS. The HQI calculator is a stand alone spreadsheet which has no link with IMS. If bids are subsequently translated into allocations, then bidders will be required to formalise the HQI assessments through IMS prior to the draw-down of funding at tranche stages. The calculator has been published on the Housing Corporation's website at www.housingcorp.gov.uk

6.12 When will Partnership Plus decisions be made?

We have set out the assessment criteria for Partnership plus in the pre-prospectus and the Prospectus. We will make decision after the conclusion of scheme bidding - providing good value for money through scheme bids is a key criteria for Partnership Plus status.

Design and Quality

6.13 What do I do if I don't know the HQI scores of a scheme?

There are two ways to calculate HQI scores, through the Housing Corporations investment management system (IMS) or through a downloadable spreadsheet available from our website. It should be noted that

submission of an HQI assessment can only be done through IMS. If bids are subsequently translated into allocations, then bidders will be required to formalise the HQI assessments through IMS prior to the draw-down of funding at tranche stages.

6.14 What design and quality standards apply to supported housing?

Specific standards apply to supported housing. If the supported housing is purpose designed then as a minimum a building or scheme must have:

- *A laundry for residents, or washing machines in living units, provided by the landlord*
- *A communal lounge*
- *Entrance area to the building must be designed to wheelchair user standards*

The Sustainability element of the core standards cannot be applied to purpose designed supported housing since the Code for Sustainable Homes is not currently designed to apply to housing provision with integral communal facilities. However the external environment element of the core standards will apply to this type of housing.

For buildings which do not have the facilities or design features as listed above, but are designated for a specific group with support services in place, it will be classified as general needs provision and all the core standards will apply.

6.15 Do rural housing schemes need to meet CSH level 3?

Achievement of Code for Sustainable Homes level 3 is a mandatory requirement for all new homes receiving grant from the 2008/11 bid round. This requirement applies irrespective of where the scheme is located.

6.16 What Build for Life scores do rural housing schemes need to meet?

For rural and street-fronted infill a 50% positive response (10 out of 20) is required to meet the external environment core design and quality standard.. For all other developments a 60% positive response (12 out of 20) is required.

6.17 Do we have to achieve Lifetime Homes?

Lifetime Homes criteria have been incorporated in to the Code for Sustainable Homes and is worth 4 points. We encourage that Affordable Housing providers should, wherever practicable, fully incorporate all of the 16 Lifetime Homes features into grant funded schemes. The Lifetime homes standard is also reflected in the updated HQI assessment for accessibility. Refer to www.lifetimehomes.org.uk

6.18 What if different parts of a scheme meet different standards?

Internal Environment core standards- where a scheme has units with differing HQI scores, they should be inputted on to the Investment Management System as separate sub-products.

External Environment- the assessment of achievement of Building for Life is a scheme wide evaluation.

Sustainability- Where a scheme has some units which meet different standards to others (for example if some units are CSH Level 4 compliant and some are CSH Level 3 compliant) it will be necessary to create a separate sub-products for each unit type. Code for sustainable homes is evaluated on a unit basis.

A degree of common-sense is needed here.

Where broadly similar homes (e.g. 3 bed flats) produce slightly different HQI scores (due to minor differences in floor area or design) they should be batched together and the lowest HQI score recorded against each batch. When the HQI is calculated on IMS as a batched sub-project this will produce a marginally higher score than that of the lowest.

6.19 When will eco homes be applicable?

All 08-11 schemes should meet Code for Sustainable Homes Level 3 to be compliant. Only pre-allocations and reserve schemes will be exempt and N/A should be entered against the Code for Sustainable Homes by doing this the eco-homes option will be available. You will need to enter the original sub-product ID in the field available.

6.20 What significance do you place on Modern Methods of Construction?

We continue with the implementation of our Procurement Strategy, first published in 2005. Efficient use of finance can offer a lot to increase efficiency, but at the root of sustainable, long-term gains is excellent supply chain management and the effective use of modern approaches to construction. We fully expect that the current target of delivering 25% of the new build programme by innovative approaches and modern methods of construction set for the Corporation by Ministers will continue throughout the 2008-11 NAHP.

6.21 In the Design and Quality Standards are there 3 or 5 quality indicators?

5. Unit size, unit layout, unit services, sustainability (code for sustainable homes) and external environment (building for life.)

6.22 The text on page 7 of The Design & Quality Standards states that the core standards apply only in part (Sustainability) to LCHO, whereas the applicability matrix implies that the external environment core

standards (Building for Life) are also mandatory for LCHO. Which is correct?

The answer depends upon whether the scheme comprises of wholly of LCHO or is a mixture of tenures. The text is correct in the context of a scheme that wholly comprises LCHO homes. However, where the scheme comprises of a mixture of Rent and LCHO homes, the scheme must meet the new build general needs (rent) external environment core standard. It is accepted that the applicability matrix would have benefited from a footnote to make this clearer.

Applicability Matrix

Footnote:

** The mandatory (Mand) notation against the external environment (Ext) core standard for LCHO applies only where the scheme comprises a mixture of new Rent and LCHO homes. Where the scheme comprises solely of LCHO homes the Ext core standard remains optional with the benefit of incentives (Incen) through the Grant Index.*

6.23 The text on pages 16 and 17 of The Design & Quality Standards in respect of Housing for Older People and Supported Housing states that the 'Designated' variants of this provision must meet all of the new build general needs (rent) core standards, whereas the applicability matrix is silent on this issue. Is the text correct?

Yes, the text is correct. A further Footnote in respect of Supported housing and Housing for Older People would have been beneficial for the completeness.

Applicability Matrix

Footnote:

*** All of the new build general needs standards apply to designated supported housing provision.*

6.24 Annex 2 of the Design & Quality Standards recommendations refers to 'Achieve a score of at least 60 for HQI Internal Environment'. Internal Environment comprises three distinct elements, therefore how should this be interpreted?

A typo exists. The recommendation should read 'Achieve a score of at least 60 for HQI 'Unit-Size' within Internal Environment.'

6.25 Regarding HQI's and Building for life - in the last bid round HQI's are optional for rehabs schemes. When we are buying lots of properties in lots of different locations and villages, a general HQI score is not really relevant as we do not know what we will be buying and where it is going to be so we could be entering scores which we cannot meet when we actually do identify the properties.

HQI completion is mandatory under 2008-11 arrangements. This is necessary in order to comply with the new standards set out in the publication 'Design & Quality Standards'.

6.26 There is a question on IMS to answer Y/N to called "meets wheelchair standards" - is there a specific publication to which we should be referring to in order to answer this.

You should refer to our Design and Quality standards which are published on the Corporation's website at www.housingcorp.gov.uk

6.27 I understand that projects approved under the 2008-11 bidding round will have to comply with 2012 Construction Commitments. Can you tell me how you will monitor this and what data sets you will require partners to keep in relation to those projects to audit compliance? Annex 2 to the Procurement Method statement is silent on this point.

The "procedural compliance checklist [1]" requires that Auditors and Certifiers check for evidence to show that the principles of the 2012 construction commitments are being adopted - for example whether an action plan has been implemented and is being actively monitored. The checklist is used by independent auditors undertaking self-assessment procedural compliance audits under Programme Partnering Agreement (PPA) procedures, and by independent certifiers undertaking checks under Grant Agreement arrangements.

[1]

http://cfg.housingcorp.gov.uk/upload/xls/Procedural_Combpliance_Checklist.xls

6.28 Could you please confirm the position with regards to CSH or Eco. I have been told by the HC East region that if a scheme had full planning approval before 1st April 2007, it could be assessed via Eco Homes. However, the Q&A on the HC website say that only reserve schemes and pre-allocations can be Eco Homes and everything else must be CSH.

As the guidance outlines all schemes that are to be funded through the 08/11 NAHP are required to meet Code for Sustainable Homes Level 3 as a minimum, with the exception of reserve or pre allocated schemes under the 06/08 NAHP. Reserve and pre-allocation schemes under the 06/08 NAHP would be required to meet Eco Homes very good as a minimum.

6.29 Please can you clarify the terms of the whole life cost assessment? Bids round 2008/11 external data guidance states – maintenance costs (over 100 yrs) as a percentage of capital costs – options are >85%, <85% or N/A. At the IMS training this was revised to 60yrs and > or < 80% (or N/A)

The published Q&A 7.22 was in error due to a typo. This has now been corrected.

The reference to '80' should have been in connection with '%' rather than 'Yrs' over a 60 year period.

60 Yrs and >or< 80% is equivalent to 100Yrs and >or<85%.

6.30 We usually carry out an in house HQI assessment but it has been suggested that we need to have these done by an independent assessor. Could you confirm if we can continue to do our own assessments?

Section 3 of the Design & Quality Standards refers to 'suitably qualified individuals' in connection with independent certification either via the self-assessment process (PPA) or independent certifier process (Grant Agreement). The intention is that the audit certification which is now expanded to include the HQI assessment gives some assurance as to reasonableness. If the original HQI assessment is done in-house by a suitably qualified or experienced individual, then the audit check may simply be that the auditor checks the assessor's credentials. However, if the original assessment is not undertaken by a suitably qualified individual, then the auditor will be required to be either suitably qualified directly or rely upon a supplementary certification for the HQI element of the overall audit certification.

6.31 The Building for Life questions have to be addressed by a suitably qualified person but there is no guidance as to what this means in practice. Is there a specific qualification that they should have? Is it possible to do this in house or should it be an external person (Employer's Agent/QS type)?

The above principle applies. I.e. Building for Life standards can be assessed "in-house" subject to the assessor having adequate experience (ie- attendance at the CABE/EP Building for Life awareness sessions) or relevant qualification such as Architect or Town Planner. Should the initial assessment be undertaken by unqualified Investment Partner staff then the subsequent sign off within the CA will need to be completed by an appropriately qualified auditor (i.e. Architect/town planner)

6.32 We are required to submit bids for all 2006/08 reserve schemes, and where these will start on site before the end of March 2008 and did not receive an allocation in 2007/08 due to lack of resources we can bid for these at 2006/08 standards. I understand that we are required to complete a HQI Version 4 assessment, but can calculate the Sustainability Indicator based on EcoHomes Very Good. But what about the other changes in standards that have been introduced for 2008/11? HQI Version 4 requires a Building for Life assessment and Prospectus/Design and Quality Standards requires that all units meet the minimum HQI requirements, can you confirm what minimum standards apply to these schemes for data entry into IMS?

IMS will automatically direct you to HQI v4 under the NAHP 2008. Then in v4 you select Ecohomes. The minimum standards are set out in Design & Quality Standards.

6.33 In the Sub Product – Analysis Tab there is a question asking whether or not there is a Communal Area and its size in m2. Can you confirm that Communal Area/Size refers only to communal facilities, e.g. a common room or office in a Elderly or Supported Housing project and not communal internal areas that are for circulation (corridors, entrances, etc.)?

It is confirmed that Communal areas do not include areas that are for circulation (corridors entrances etc).

6.34 Can you provide some guidance on how to select assessors for Building for Life? How will the assessors be trained?

Building for Life standards can be assessed "in-house" subject to the assessor having adequate experience (i.e.- attendance at the CABE/EP Building for Life awareness sessions) or relevant qualification such as Architect or Town Planner. Should the initial assessment be undertaken by unqualified Investment Partner staff then the subsequent sign off within the CA will need to be completed by an appropriately qualified auditor (i.e. Architect/town planner).

6.35 Building for life - does it have to be done by an independent assessor?

Yes. The checks undertaken by independent auditors as part of the self-compliance process will be expanded to include certification in respect of the reasonableness of the number of design aspects positively addressed using the Building for Life publication Delivering Great Places to Live – Twenty Questions You Need to Answer; for unregistered bodies the checks undertaken by Independent Certifiers under the Grant Agreement process will be expanded in the same way as above.

6.36 Does the HQI spreadsheet exactly mirror the IMS version?

In order to assist our Investment Partners and relevant consultants in completing HQI assessments we have developed a HQI calculator. This is a self contained Excel spreadsheet and has been developed to be used as a stand-alone evaluation tool. The calculator provides an indicative score, is not linked to IMS, and does not replace the full HQI v4 system. If bids are subsequently translated into allocations, then bidders will be required to formalise the HQI assessments through IMS prior to the draw-down of funding at tranche stages.

6.37 Have the HQI minima changed?

The HQI minima are as outlined in the Corporation's Design & Quality

Standards. These are distinct from the range of HQIs (min/neutral/max) levels used solely for determining the quality aspects within the Grant Index (Table 2 of page 56 of the Prospectus). Different ranges apply to different scheme types.

6.38 Do we need to do a Building for Life assessment, regardless of the Size of scheme and number of units?

Yes.

6.39 Can you specify the conditions under which an EcoHomes 'Very Good' rating will be acceptable for reserves and pre-alls? Must the scheme have started on site prior to April 2008 or simply have received detailed planning consent by April 2008?

It's expected that Ecohomes certification will only be relevant for bids first proposed during the 2006/08 round. See the published CSH Transitional arrangements.

6.40 Do we need to do a CSH assessment for all schemes?

Yes (any potential exceptions discuss with Lead Investor).

6.41 Are CHS level 3 and Building for Life standards only applicable to New Build, as oppose to new build and rehab/refurb?

The code for sustainable homes does not apply to rehabilitation projects. The general presumption will be that rehab projects will achieve no less than 30 points within the HQI sustainability profile.

6.42 The HQI table on 56/7 do the sustainability and external environment scores translate to CHS level 3 and BFL 12/20?

Yes they do.

6.43 Can bidders group units that are of a similar size (equitable to the old unit size ranges) for the purposes of the bid to avoid us having to put a new unit type for each and every unit type where there may only be 1 or 2 sq metres difference in the size?

The system has been developed as a number (e.g. 85m) rather than a range (e.g. 85 - 90m) so in theory they would need to enter multiple units for each one. However, we recommend that they should be pragmatic and should take an average for similar size units to lower the number of entries required.

6.44 On page 56 there is a table stating that the minimum score for noise is 33 for all types/tenures. However on page 60 under Development Bid Conditions it states that the minimum score is 22 under the D&Q standards.

Please can you clarify what the minimum score is?

The minimum HQI score for noise is '22' as per the D&Q Standards.

The minimum of '33' referred to on page 56 of the Prospectus is used solely for Grant Index purposes. Whilst a score of '22' would satisfy the min D&QS requirement, the point at which the Grant Index range commences was set higher.

6.45 Am I right to assume that, unlike Clients Charter, there will be no requirement to submit an annual plan to an external scrutiniser?

There will be no need to submit an annual report under the Affordable Housing Construction Commitments 2012, however partners wishing to voluntarily maintain the Client's Charter may do so.

6.46 If compliance & performance at audit was deemed to be unsatisfactory would any sanction levied be just against the scheme audited or our whole 2008-11 programme?

There are aspects of the 2012 Construction Commitments that are scheme specific and others which are more indicative of organisational culture. Shortfalls against conditions of grant will find reflection in the particular scheme audit and in turn in the Corporation's assessment of the partner's overall performance.

6.47 There is no mention in the prospectus or on IMS of the previous requirement for NHBC/Zurich cover or similar. Is this no longer a requirement?

The previous requirement, able to be satisfied in association with NHBC or Zurich, that 'house builder warranties suitable for mortgage purposes together with the accompanying 'cover note' as required under the Council of Mortgage Lenders (CML) initiative are available upon completion of homes' is now to be contained within the proposed Funding Conditions/ Grant Agreement. The full set of new Funding Conditions alongside the new Grant Agreement will be published shortly.

6.48 Do EcoHomes apply to this type of supported housing, and is there a minimum rating?

EcoHomes is not designed to apply to this kind of supported housing in the same way that the Code isn't.

6.49 How is this treated in HQI version 4, because this is also linked to CSH which is not applicable to purpose-designed supported housing?

Under HQI, for the sustainability section, the most appropriate tab to use will be the rehabilitation one. Input any applicable sustainability details for your scheme under this section.

6.50 We have a raft of experienced surveyors and technical officers on the staff of our organisation, and believe them to be suitably able to undertake the HQI and BfL assessments appropriately. Can you please confirm that this is acceptable notwithstanding independent audit verification?

As Question per 6.25 and 6.26 in the 26th September published Q and A's state, the HQIs and Building for Life can be assessed in house by a suitably qualified individual. In order to fully explain this, I will take each design requirement in turn.

HQI's- if the original HQI assessment is done in-house by a suitably qualified or experienced individual, then the audit check may simply be that the auditor checks the assessor's credentials. (if the assessment is not undertaken by a suitably qualified individual, then the auditor will be required to be either suitably qualified directly or rely upon a supplementary certification for the HQI element of the overall audit certification)

Building for life- BfL standards can be assessed "in-house" subject to the assessor having adequate experience (i.e. attendance at the CABE/EP Building for life awareness sessions) or relevant qualifications such as Architect or Town Planner. Should the assessment be undertaken by unqualified Investment Partner then the subsequent sign off will need to be completed by an appropriately qualified auditor (i.e. Architect/Town Planner).

Un-registered Bodies will be signing up to the Grant Agreement, the Independent certifier will be verifying and confirming the HQI and BFL scores prior to final grant confirmation.

6.51 Does a build for life assessment need to be done for purchase and repair properties?

The Design and Quality Strategy (page 18) confirms that it is accepted that difficulties of applying the core standards in relation to External Environment are such that they should not apply to rehabilitation schemes.

6.52 Are HQIs required for HOLD purchase and repair properties (greyed out on bid)?

They are greyed out because they do not apply. Purchase and Repair is a form of Rehab.

6.53 Can you please advise whether it is a requirement that we enter Bid HQI's onto IMS or whether we can use the HQI calculator standalone tool and input the scores from this?

*There are two ways of providing the required HQI scores for bid purposes:
1. Using the HQI calculator. This is a self contained Excel spreadsheet that has been developed to be used as a stand-alone evaluation tool and does not*

require IMS security access. The resulting scores from using this calculator may be manually input in bids to provide the required HQI score data. There is no IMS link.

2. Through IMS undertaking a formal HQI assessment. HQI scores calculated on IMS will generate an ID number that may be used to link the bid proposals to a formal HQI assessment.

Should any bid subsequently be translated into a formal allocation it will be necessary for a relevant HQI assessment to be recorded within IMS to enable tranche draw-down of funds at either Start-on-Site or Practical Completion stages. If option 1. above is used at bid stage, then the HQI assessment will subsequently need to be formalised by a calculation within the IMS facility.

6.54 For purpose-designed supported housing, the D&Q standards state 'the sustainability element of the core standards cannot be applied to this type of housing since the Code for Sustainable Homes is not currently designed to apply to housing provision with integral communal facilities.' p.17. How should this, be entered onto IMS as it asks for a CSH rating or if this is N/A, you are then asked for an EcoHomes rating and a previous sub-product ID. This won't be relevant but you cannot save it without entering these details.

We have broken the link in the system requiring a sub-product ID when NA is selected under EcoHomes so it will be possible for you to submit your bid.

6.55 The majority of our schemes are on brownfield sites, they in theory suffer from location restrictions that effect the external environment. Can you provide an example of what was intended here to allow lower Building For Life score?

A terrace of street fronted properties where two or three have been demolished mid-terrace (due to subsidence, etc) and re-developed by new build modern equivalents, or where the gap opens up the rear gardens within which several homes plus parking are to be developed.

6.56 Code for Sustainable Homes for Rehab – is it relevant, how should it be filled in?

CSH is only required for new build schemes. To enter it in the system 'Not Applicable should be selected for CSH and Eco Homes.

6.57 What are the published transitional arrangements for the Code for Sustainable Homes, and where are they found?

The agreed transitional arrangements have been published and were included within the Q &A's at Pre-Qualification stage.

http://www.housingcorp.gov.uk/upload/pdf/NAHP_Pre-prospectus_key_messages_Q_and_A.pdf

The relevant questions start at question 17.

6.58 What does 'communal area' mean on the sub-product 'analysis' screen please? I.e. are the following spaces included in 'communal area': Community hall and associated kitchen/toilets; Tenants' Association Office; Caretaker office; and Plant rooms.

Please refer to Q&A 6.32.

Specific answers

Community hall and associated kitchen/toilets - YES

Tenants' Association Office - YES

Caretaker office - NO

Plant rooms - NO

'Communal areas' in the context of the sub-product details should be regarded as those areas/offices/rooms (with or without facilities) that are for the specific use of residents and guests e.g. Community hall (as above), Tenant's Office (as above), Guest Rooms, Hairdressing/Chiropody rooms, Shop, etc.

Areas that are inherent in the design and required for the proper and efficient function of the scheme as a whole are not to be regarded as communal areas e.g. corridors, entrances, entrance lobbies, caretaker's rooms, store rooms, plant rooms, etc.

6.59 Is HC funding available to bring units from the lower standard specified in a s106 agreement up to the higher Design & Quality Standards required by the HC as a condition of bidding?

In order for bids to be compliant, they must meet minimum HC Design and Quality standards. In the instance where a s106 agreement has been signed, but the standards specified in the agreement do not meet HC minima, we can accept bids from partners to fund the gap. As with all bids for s106 sites, bidders will have to confirm that they have undertaken an analysis to demonstrate the additionality that SHG brings to s106 sites, and that it is available for inspection by HC staff if required. As with all other bids, bids for s106 sites will be assessed for value for money, and will need to sit inside the various regional efficiency targets.

6.60 Is there a requirement this bid round to provide a NHBC or relevant guarantee for all schemes?

Please see the link below to the Funding Conditions published today. Conditions 11 and 14 relate to the issue raised.

http://www.housingcorp.gov.uk/upload/pdf/Funding_conditions_2008-11.pdf

Please also note that whilst this issue was not covered in the Funding Conditions applicable to the 2006-08 NAHP, it was contained as one of the requirements within the Development Brief of the 2006-08 NAHP. Thus the requirement has been in force since 1st April 2006.

The Funding Conditions do not apply to Un-Registered Bodies. Instead, URBs are required to satisfy a number of conditions precedent (described in the Grant Agreements see <http://www.housingcorp.gov.uk/server/show/ConWebDoc.12328>) prior to the Corporation being able to be able to pay grant. Second Tranche Condition Precedent 6 of the Grant Agreement seeks to enforce the same requirement for proof of building standards indemnity as provided in Conditions 11 and 14 of the Funding Conditions.

6.61 I have been looking at the HQI Bid Guidance and on Page 5 there is a paragraph which states that sheltered, supported and special needs housing does not require HQI scoring, but designated supported housing for older people does. Could you clarify this is the case?

Designated supported housing for older people contains no special design features and is therefore treated in the same way as general needs.

The differences between these categories of supported housing on page 13/14 and 15 of the Design and Quality standards document which can be found at <http://www.housingcorp.gov.uk/server/show/ConWebDoc.10783>.

The DQS states that Older Persons Housing (with all special design features and some special design features) are required to develop to the following standards-

Internal Environment core standards (HQI Size, Layout and Services) are not applicable due to consideration that it would be inappropriate at addressing the particular design and management considerations associated with the successful provision of this type of housing.

Sustainability Core Standards cannot be applied as the Code for Sustainable Homes is not currently designed to apply to housing provision with integral communal facilities.

External Core standards apply.

In addition to the above, useful guidance on elemental design is provided in Design Guide for the Development of New Build Accommodation for Older People by PRP Architects and published by Abbeyfield Society

6.62 Can aspirational HQI scores be submitted at bid stage allowing the RSL to submit actual HQI's at SOS/PCF stage?

We do not recognise aspirational HQI scores, bidders may submit estimated HQI scores at bid stage, but as these will set the HQI bid commitment we would advise that realistic scores are submitted at this point. Subsequent short-fall against these commitments will affect the grant entitlement. At the stage of SOS/PCF IMS calculated HQI scores must be submitted then.

6.63 Where OPS are used to raise standards above HC minima do they have to move up a whole 'category'? (The example used was Code for Sustainable Homes and if OPS was used to raise it above the minima for L3 but not sufficiently in all areas to meet L4 although some elements may exceed L4 requirements).

The Code for Sustainable Homes' scale of increasing sustainability standards from Level 3 to Level 6 is not broken down into separate levels of achievement within each level.

6.64 We have a site where some units exceed the minimum unit size and some fall short but the average HQI score is above the minimum. On IMS there is a new box where we answer yes or no as to whether all units meet the minimum criteria – in this case the average score is OK but some of the individual units do not hit the minimum therefore we would answer no to this question – if we did answer no would this make the bid non compliant even though the average HQI is OK? And if we put 'No' with a comment is this still considered as a compliant bid?

If not all units meet the minimum criteria then you need to answer no to this question.

This will make a comments screen available at the bottom of the screen. You should input information about how many of your units fall short of the minimum and by how much here.

The bid will be regarded as a variant bid, not complaint.

6.65 The Funding Conditions 2008-11, published this week, refers at no. 11 to ' Council of Mortgage Lenders initiative' - please can you advise where to find details of this initiative and the 'cover note' mentioned?

Details of the CML initiative can be found at - <http://www.nhbc.co.uk/NHBCpublications/LiteratureLibrary/HomeownerDocuments/filedownload,15897,en.pdf>

6.66 Could you please advise us on the application of Building for Life criteria for rural housing schemes?

We note that BfL criteria numbers 3, 8, 12 and 14 are primarily aimed at developments in an urban setting. The schemes which we develop are in most cases on rural exception sites, so they have no “street scene”, are usually so small as to have no capacity for providing public open space and are normally unable on planning grounds to exploit modern technology, for example cladding or pre-formed pods in construction.

There is no facility for us to state that such BfL criteria are “not applicable”, so it appears that we have to state that we are not achieving them. We know that the minimum BfL score for rural schemes is 10 out

of the 20 but if we can only apply 16 of the criteria due to the nature of our developments, this prevents us from reaching the maximum. Can you please reassure us that our bids will not be marked down in the Grant Index because of this?

The Building for life requirement for rural and street infill schemes remains 10 out of 20 as stated on page 5 of the DQS. The minimum has been set lower than normal in recognition of the factors outlined above.

6.67 Is there a minimum score for the total HQI figure? The Design and Quality Standards provide minimums for some areas and the Prospectus provides minimum, maximum and neutral scores, there isn't a mention of a minimum HQI score in the documentation.

The D&QS sets out the minimum HQI requirements. There is not such requirement for a total overall HQI score. The ranges set out in the Prospectus relate solely to the operation of the Grant Index.

6.68 How are schemes with communal facilities and without self contained accommodation (supported housing, for example) to be assessed under HQIs as it will not accept units types without a living room for example. If a living room were to be entered as if it were individual to each unit, how would the floor areas be reconciled?

The Design and Quality Standards clearly and specifically set out the standards the HC requires for supported housing (pages 16-17, summarised on page 8) and other types of housing with communal facilities. For supported housing minimum standards for external environment apply and there are specific basic facilities and design features which must be incorporated.

7. Bidding

7.1 Can I submit a variant bid?

See paragraphs 227 to 232 in the Prospectus.

7.2 What are the IMS opening hours?

4th Sept - 12th Oct

Weekdays

7am - 8pm

Weekends

8am - 8pm

Normal support hours will apply

Helpdesk 8am - 6.30pm, Monday to Friday

Investment helpdesk 10am - 4pm, Monday to Friday

15th Oct - 31st Oct

Weekdays

7am - 10 pm

Weekends

8am - 10 pm

Normal support hours will apply

Helpdesk 8am - 6.30pm, Monday to Friday

Investment helpdesk 10am - 4pm, Monday to Friday

7.3 How long does it take to put a bid on IMS?

The length of time it will take to enter a bid on IMS is dependant on:

- 1. how much experience the user has with the system, i.e. the more familiar the quicker its should be*
- 2. whether they have all the information prepared, i.e. if you have the information set out it will be quicker than having to stop and look up data. One tip is to ensure you have the OS co-ordinates prior to entering a project as they are mandatory.*
- 3. how much data you have to enter for that bid type.*

The figures below are based on a user having some experience of bids and all of the data they need to enter to hand.

Entering a bid can be split into three stages

- (i) Setting up a Partnership and an Agreement. This is a one off exercise and will take approximately 30 - 40 minutes.*
- (ii) Entering a project will take approximately 10 - 30 minutes*
- (iii) Entering a sub product will take approximately 10 - 30 minutes*

7.4 When should I start?

We strongly advise you to start bidding as soon as possible.

By starting the bidding process earlier it will give us more time to assist you should you come across problems.

7.5 What is the deadline for returning bids?

The deadline for returning bids is 5pm 2 November 2007.

7.6 Can I save my work and come back to it?

You can save the data at each stage and we recommend you do. The system will prompt you to fill in mandatory information prior to being able to save.

7.7 Do I need to validate all of my sub products prior to submission?

Yes. The system will not allow you to submit the agreement until all of the sub products are marked as 'valid'.

If you have entered a sub product that you do not wish to submit you will need to delete it prior to submission. Please refer the system guidance for details.

7.8 Will there be a further opportunity to pre-qualify?

Yes, it is the Housing Corporation's intention to re-open the Pre-Qualification process for the 2008-11 NAHP in 2008. Details will be published in due course.

7.9 Can I change my partnership?

Proposed changes to a pre-qualified Partnership should in the first instance be addressed to the Corporation's Director of Investment. We will only consider requests for changes to pre qualified partnerships where these demonstrably add development capacity, access to land or access to the skills of BME Housing Associations (or in response to changed circumstances, such as merger or another organisation's loss of Investment Partner status). We will consider proposed changes during the bidding period, but partners must be mindful of the need to have all approved partnership details and bids logged on IMS well in time for the close of the bid round on the 2nd of November.

Once the bidding period closes on the 2nd of November and the assessment of bids for the 2008-11 NAHP commences, the Housing Corporation cannot accept changes to pre-qualified partnerships until bid allocations are confirmed.

It should be noted that significant changes (i.e. of more than 25% of development capacity, up or down) to partnerships, will necessitate the re-

submission of PQQ documentation, and this could only be considered during a further PQQ process in 2008-09.

Target rent

7.10 What are target rents?

The rent influencing regime, introduced from April 2002, set out the Government's objective that rent setting in the social housing sector be brought onto a common system based on relative property values and local earnings levels.

*Therefore for each property which is used for mainstream social rented housing, HAs need to derive a **target rent** which is calculated using the following approach:*

- 30% of a property's rent is based on relative property values;*
- 70% of a property's rent is based on relative local earnings;*
- a bedroom factor is applied so that, other things being equal, smaller properties have lower rents.*

Having calculated a target rent for a property a HA must adjust its actual rents over time such that they converge with the target rent by March 2012 for general needs stock and March 2013 for supported housing stock.

The rent restructuring framework is set out in detail in the HC publication - Rent influencing regime: Implementing the rent restructuring framework and is available from the HC website via the following link:

<http://www.housingcorp.gov.uk/server/show/conWebDoc.1831>

7.11 Does the requirement that rent is capped at 3%, and rise each year at maximum of RPI plus 0.5%, apply to schemes within the NAHP where there is no grant support?

Yes, they do. Issues relating to nil new-grant schemes and nil grant schemes using RCGF/DPF are set out at paras 195 to 197 of the prospectus. In all cases such schemes need to comply with Financial Bid Conditions, including those relating to rent.

7.12 Please clarify the date at which the rents should be quoted. We can currently calculate target rents for 2007.08. We will shortly be able to calculate target rents for 2008.09 because they increase by September RPI (which will be announced imminently) plus 0.5%.

The target rent is based on the PC date they enter.

7.13 At sub project unit level 'rent/sales data' IMS assumes that rents will increase at 3% per annum for the next 5 years. This assumes that RPI will be 2.5% (RPI + 0.5 = 3%) It is highly likely that RPI will be far

higher than 2.5%. Will we be judged against the rent calculated in IMS if inflation increases more than assumed by IMS?

RPI is set in the bids system at 2.5% because this is the generally accepted norm for business planning and by stipulating an RPI figure we can ensure comparability of schemes between bidders. Assuming we fund a bid, when the scheme comes live the association will be allowed to charge an actual rent based on the guideline limits which prevail at the time (and we have published) and which is comparable to other stock in the same vicinity within their rent plan.

7.14 Could you please give clarification regarding the rents to be quoted in bids?

The system inputs the target rent which the user can then overtype, however it cannot exceed the rent cap.

7.15 It is clear that when the system is calculating the rent for the relevant year of completion, it adds 3% to the previous year but can you advise where the base figure comes from as there is a discrepancy between this figure and the figure our organisation normally uses.

We have always taken the Jul 05/06 rent from the grant rate calculator and then uplifted by 3% per year.

Can you explain this difference please?

Rents guidance states that rents should increase each year by the guideline limit of RPI + 0.5% (unless an association is moving its rents up or down to achieve convergence by 2012). Assuming that rents are at target the increase would be limited at RPI + 0.5% and we are assuming RPI @ 2.5% hence 3% in total. Associations can overtype the system generated rent if they need to but if it falls outside our parameters for convergence by 2012 we will go back to them to clarify the position.

7.16 How has the target rent been calculated?

((70% Ave Sector Rent x relative county earnings x bedroom weight) + (30% Ave Sector Rent x relative property value)) x Inflation factor.

This formula is held within the bids system and calculates the Target Rent automatically from the data the RSL enter.

7.17 What contractual documentation is there for RSLs?

*The Housing Corporation enters into a contractual relationship with RSLs by means of a **Programme Partnering Agreement**. This is a bi-partite document which sets out the terms and obligations on both the partner and the Housing Corporation regarding the payment of Social Housing Grant (SHG) for the delivery of affordable housing. Where there is more than one*

RSL participating in the delivery and/or management of homes included within this PPA, the RSLs must designate one RSL as the Lead RSL. The Lead RSL will have the additional responsibilities set out in this PPA and the Funding Conditions. The Lead RSL will also use all reasonable endeavours to ensure the other RSLs achieve the objectives of this PPA and to resolve any failures by itself or the others to do so.

7.18 At paragraph 272 of the Prospectus you ask that all Supplementary Information be in a prescribed format. There follows a naming protocol set out in paragraph 273. Do you simply mean that the document name should follow this naming protocol, or are there also prescribed formats for the documents themselves?

Document names should follow the naming protocol as set out in paragraph 273. There is not a set prescribed format for the documents themselves.

7.19 If the RSL has already made their 30 year capacity model available to the Housing Corporation will they be expected to resubmit this with their bids?

The pre-prospectus (paragraph 5.14) identified the requirement that organisations needed to submit the Corporation's 30yr Capacity Model where they intended to develop and retain ownership of more than 100 grant-funded units. Providing they did this (the deadline was 30th June 07) then they would not need to do so again.

7.20 Can you just clarify that we do not have to produce any supplementary info for standard NBHB projects (i.e. not specific to Key Workers)?

Supplementary information is required for all NBHB bids. Requirements differ between projects aimed primarily at key workers and others, and are set out in the Prospectus at paragraph 257. Bidders may optionally provide additional information on targeting existing social tenants (see Prospectus paragraph 256) which may be treated positively in assessment.

Key Worker information (see Prospectus paragraph 156) is required for each relevant project; affordability information (see Prospectus paragraph 108) is at the organisational level, though you may want to refer to scheme examples, or to highlight particular cases.

7.21 Please can you clarify you statement on Page 32 of the prospectus (108). Firstly do we need provide a separate method for each project in our bid and secondly does this only apply if doing Key worker NBHB (as indicated by comment – ‘see below for projects targeted at key workers’)?

The statement referred to on page 32 only applies to those projects that are targeted specifically at Key Workers.

7.22 When entering data on the IMS in the Maintain Sub-Product, analysis screen there is a question relating to Communal Areas- basically a Yes/No response. The guidance is not clear- does this relate to communal areas such as communal gardens for a block of flats, or communal areas in supported housing schemes.

This is really about just capturing information on communal areas in supported housing schemes. It doesn't mean internal common areas such as stairwells or corridors.

7.23 What is the case when more than one code is applicable – it seems that the system only allows you to select one in each group?

It should be possible to select as many of the Quality Codes as are applicable to the specific unit type.

The Client Groups tab should only be enabled if the bidder has indicated that these units are for Supported Housing. This is done on the Unit Details tab.

In policy terms, only one Client Group code should be selected for each unit type. However, IMS was allowing more than one client group to be selected, but this has now been fixed. Users will now only be able to select one client group for a specific unit type. If they have several client groups within the scheme, they'll have to enter these as different unit types.

7.24 In the bid data entry document, page 28 section 4 - cost and contribution tab - please can you clarify how to calculate the 'own asset' field - we presume this should be Total Scheme Cost minus (sum of Borrowing and Grant). Is this correct?

As the Bid Date Entry System Guidance states, "Own Asset" is defined as "The capital contribution the developer is making to the scheme that comes directly from its own surpluses" (i.e. excluding borrowing.) We would expect this to be entered on the basis of the bidders own project appraisal. If total costs and total contributions do not balance in the data provided we will want to discuss this with the bidder (and as a negative balance indicates that the scheme is not independent such a bid may be rejected as invalid, see para 236 of the Prospectus.)

7.25 When we set up the partnership on IMS, for selecting 'Bid year' (accessing the bids module, section 4, ii) we selected 2008. Now all the schemes come up with 2008 and we can't select future years (2009 or 2010) when selecting the project year. Is this correct as it is part of the partnership agreement starting in 2008? If not, is there a way of changing it, so it does include future years?

Providers set up 2008 Partnerships and 2008 Agreements. This means all sub-products will come under the 2008 Agreement, and yes, 2008 is the only year populated in the 'sub-product year' field. However, the 'First Relevant Year' is what drives the actual year of the scheme and this is picked up

automatically from the dates they put in the forecast screens. This is a change from previous years where not only did they have to provide forecast dates, but also had to specify the sub-product year.

Unregistered Bodies

7.26 What is meant by the term "Unregistered Bodies"?

Unregistered Bodies (URBs) are any Housing Corporation investment partner that is not a Registered Social Landlord (RSL). URBs include partners who are private firms, public limited companies, special purpose vehicles (SPVs), joint venture companies, Arm's Length Management Organisations (ALMOs) or any other organisation that is not an RSL.

7.27 What contractual documentation is there for URBs?

*The Housing Corporation enters into a contractual relationship with URBs by means of a **Grant Agreement**. This is a bi-partite document which sets out the terms and obligations on both the partner and the Housing Corporation regarding the payment of Social Housing Grant (SHG) for the delivery of affordable housing.*

A schedule is annexed to the Grant Agreement containing the details of all schemes for which the Partner has been awarded an allocation of SHG. This schedule is reflective of the situation at the time which the Grant Agreement is signed, but variations can be made after this time by the partner and the Corporation agreeing proposed changes on the IMS system.

*All URBs who wish to retain ownership of the units funded by SHG post-construction must enter into a second agreement with the Housing Corporation called the **Rentcharge**. The purpose of the rentcharge is to protect the Corporation's investment in the affordable housing, and to set out the arrangements for recovery whereby upon sale of part or all of the equity in a property the partner pays back the appropriate amount of grant and also shares any increase in value with the Corporation.*

*Finally, all URBs must complete the appointment of an **Independent Certifier** to warrant that the grant-funded homes have been constructed in accordance to the standards against which funding was awarded. The appointment of the Independent Certifier is made jointly with the Housing Corporation.*

7.28 I have been trying to locate the PPA for the 2008 2011 bid round on the Housing corporation web site. Unfortunately I can only find the 2006 2008 version. Can you advise where I can locate the version for the current bid round?

The PPA for NAHP 08-11 will be published on our website by early October alongside the other contractual documents.

7.29 What are the arrangements for grant recovery from URBs?

The Housing Corporation can recover SHG from the URB partner in the following instances:

- 1) Where the terms of the Grant Agreement have been breached by the partner, or it is found that Grant has been wrongly paid or overpaid.*
- 2) Where the Partner retains ownership of the units post-completion, and where a relevant event happens which triggers Recovery.*

Full details of circumstances in which SHG must be repaid can be found in the Grant Agreement. Details of recovery arrangements, including worked examples are contained within the Rentcharge. Both of these documents will be made available on www.housingcorp.gov.uk.

URBs should refer to the section in this Q&A that deals with RCGF (questions 4.23 – 4.26).

7.30 What are the circumstances that trigger recovery arrangements for URBs?

By entering into the Rentcharge, the URB partner consents to a recovery arrangement with the Corporation.

The principle of recovery is that the Corporation is repaid an appropriate amount of SHG, as well as an appropriate proportion of the increase in value that the unit has achieved between when it was built and when the relevant event takes place.

Recovery is triggered by the following relevant events:

- Disposal of the unit under Right to Acquire (rent units only)*
- Disposal of the unit to the leaseholder or to the open market (LCHO units only)*
- Where the initial equity share by a leaseholder of a LCHO unit is greater than that at bid stage*
- Staircasing (increasing of equity share) by a leaseholder (LCHO units only)*
- Any other disposal (e.g. sale of housing from one affordable housing provider to another).*

Full details of recovery arrangements, including worked examples are contained within the Rentcharge, which will be made available on www.housingcorp.gov.uk.

7.31 If an Unregistered body has not identified an RSL to transfer to at the time of bidding do they still have to enter a transfer price? If yes what price should be entered?

Yes. See section on transfer values in the Prospectus paragraphs 295 – 298.

7.32 The Prospectus confirms the Grant Agreement for Unregistered Bodies will be published on the Housing Corporation website. Can you confirm when this will be available for review?

We're currently finalising the Grant Agreements and anticipate that they will be available on the HC website by early October.

7.33 If a unregistered body has not identified who they are transferring to what is the latest time they can change the 'managing'/'owning' organisation in the system?

They must have identified to whom they are transferring to by the time the Grant Agreement is signed.

7.34 The transfer price from RSL to Non Registered Body. Presumably this figure includes the grant being bid for?

The transfer price paid by the RSL to the URB excludes grant. This is because the grant for the unit is being paid directly to the URB i.e. URB receives grant from the Housing Corporation and the transfer price from the RSL there two elements together should broadly equal the anticipated final cost of the scheme.

In short, the transfer price is broadly the anticipated final scheme costs less grant.

Please refer to Paragraphs 295 though 298 in the Prospectus which cover transfer arrangements. Please also note that, where a URB is proposing to transfer units upon completion but has not yet identified an RSL partner, they should record themselves (i.e. the URB) as the owner and manager but include transfer price data to indicate that transfer price is proposed. (A fix is being made to IMS this week to allow that to happen). Once the transfer RSL is identified, the transfer price should not exceed that indicated in the bid.

7.35 Are unregistered bodies able to retain ownership of some or all of the grant-funded units that they develop?

Yes - it is possible for URBs to retain ownership of grant funded units. URBs who choose to do this will need to enter into the Rentcharge with the Corporation (see <http://www.housingcorp.gov.uk/server/show/ConWebDoc.12328>), which is required to protect the Corporation's long-term investment in social housing units, and also to place covenants on the URB partner in respect of management standards and recovery of grant and value uplift. Organisations who successfully bid to develop and retain ownership of over 100 grant-funded units will also be required to complete the Corporation's 30-Year Capacity Model (see <http://www.housingcorp.gov.uk/server/show/ConWebDoc.7276>), which assesses the long term viability of organisations who intend to retain

ownership of over 100 units. This capacity model must be submitted before the Grant Agreement and Rentcharge are entered into.

7.36 Are URBs who bid to retain ownership of a scheme required to enter a transfer price as part of the bid?

No - transfer prices are only required to be entered where a URB is developing, and transferring ownership on completion to an RSL.

7.37 I am trying to locate the SLA that URB's need to sign with a Home Buy Agent on your website but I cannot find it. I would also like to know whether this agreement has to be signed prior to the bid being submitted on 2nd Nov 2007.

The service level agreement that is referred to is part of the HomeBuy Agent's contract. This can be viewed at schedule 3 of the agreement which can be found on our www.housingcorp.gov.uk website or by cutting and pasting the following link into your browser http://www.housingcorp.gov.uk/upload/pdf/Generic_HomeBuy_Agent_Contract.pdf

The agreement of an SLA would take place once an allocation has been confirmed. Having the SLA in place is not part of the assessment of bids, but a condition of grant.

7.38 Capital contributions does this refer to the entire scheme including the private sale?

Capital contributions refer only to the units on which grant is being sought.

7.39 Whole Life Costing. Presumably we would ask our RSL partners for this assessment?

You should refer to our document 'Guide to the Housing Corporation's Life Cycle Cost Measure for Social Housing.' This can be found using the following web link.

<http://www.housingcorp.gov.uk/server/show/conWebDoc.11735>

Project related questions

7.40 What is the definition of 'Street fronted infill'?

Regional Housing Corporation colleagues will be able to advise on whether a scheme is street fronted infill. The lower minimum Build for Life score is intended to allow for schemes where the opportunities to enhance the external environment were limited by the nature of the site location. This should not mean that all schemes which are street fronted infill are of lower quality, and we will reward higher quality street fronted infill schemes in the same way as other schemes.

7.41 Can the Corporation publish the boundaries to Growth Zones, Growth Points and Pathfinder Areas to make it easier for us to determine if a scheme falls within one of these zones?

Maps outlining the boundaries of the Growth Points, Growth Areas and Pathfinders can be downloaded from the Communities and Local Government website at www.communities.gov.uk .

7.42 Does the system accept partial postcodes?

Postcode field is not mandatory, but if used, only full postcodes can be entered.

7.43 Under the project details tab, if the S106 is about to be signed but has not yet been, should I say 'Yes' or 'No' to this question?

Answer Yes if you are certain that the agreement will be signed in the short term. If however there is uncertainty then withhold the bid and resubmit at one of the forthcoming regular market engagements. We will check your response with the relevant local authority.

7.44 Where a site is very large and potentially covers several grid references, what OS coordinates should we use?

You should give the co-ordinates for the centre of the site.

7.45 Could you please confirm whether it is necessary for the RSL to denote at Update Active Organisations? The name of the Home Builders and/or Suppliers. For example, if the site is a S106 with a developer, then whether we tick the name of that developer within the Home Builders list.

In terms of system requirements, IMS only requires the Developing, Owning and Managing organisations to be specified in the Update Active Organisations screen. It is not mandatory for the Home Builder/Supplier to be specified.

Sub product related questions

7.46 For pre-allocations and reserve schemes will I still need to enter the HQI scores as they refer to sustainable homes?

Schemes which received full planning permission prior to April 31st 2007 will be required to comply with the old standards (i.e. EcoHomes Very Good) as a minimum. Schemes which received / receive planning permission after this date will be required to comply with the updated standards (i.e. CSH level 3). Exceptions to this are set out in the Design and Quality Standards available at www.housingcorp.gov.uk .

7.47 Could you define what is meant by 'First Relevant Event' and 'First

Relevant Year'?

First relevant event refers to the first payment milestone event, or in the case of Open Market HomeBuy, the exchange of contract milestone which triggers payment for release at the forecasted practical completion date.

7.48 In previous bids rounds when we have had to define the project year, it has created problems if milestone dates don't correspond. This has meant having to delete lots of information before dates can be validated - does the new system avoid this issue?

You do not define the project year when creating a new project. The First Relevant Event / First Relevant Year are auto-populated from the milestone dates.

7.49 Do receipts from the Starter Homes Initiative (SHI) count as RCGF or DPF?

Counts as RCGF - users should also refer to Capital Funding Guide at www.housingcorp.gov.uk on recycled grant. Only HomeBuy Agents can use SHI receipts as RCGF all other RSLs need to repay this to the HC.

7.50 How should free land provided by the RSL be treated?

Where land is being provided by the RSL and there is no acquisition cost it should be processed through the works and fees only route.

7.51 In the analysis tab, why is there a field for EcoHomes when all schemes are expected to meet CSH3?

This applies in a limited number of cases to approved reserve schemes and pre-allocations where we will accept an EcoHomes 'Very Good' rating. Specific conditions apply depending upon the stage in development the scheme has reached prior to April 2008 in. See the published CSH Transitional arrangements.

7.52 In the URB tab, can you explain the 'transfer value' field?

This only applies to URBs transferring a scheme to an RSL on completion – please refer to external data guidance.

7.53 URB tab: the management/service charges etc. will be an issue for the recipient RSL to determine after handover; the best we are likely to be able to provide at bids stage is an estimate. Will the HC accept this, and will you require further updates if more accurate information becomes available?

Provide figures based on information provided by RSL to whom transferring.

7.54 How should I use the 'apply comment' facility?

You may use this facility to supply any additional information in support of your bids. For example, to demonstrate how the scheme meets the priorities set out in regional, local or national housing strategies. Note that once saved, comments cannot be amended.

7.55 Will there be sufficient space in the 'apply comments' field for meaningful data entry - some IMS comments fields are very limited?

The apply comments field allows for approximately 2,000 characters to be entered.

7.56 Are the costs and contributions fields mandatory, and is there a unit number threshold as there was with the financial workbooks?

Cost fields are mandatory and must be greater than zero; contributions fields are optional and should reflect the funding of the project. You must enter relevant information for all schemes, regardless of the number of units.

7.57 To what extent will it be possible to amend project or sub-product data after I've entered a bid?

Prior to submission of the Agreement you can amend data in individual bids. However, because there are a number of validations built into the system, it may be necessary to delete or amend data in several places.

7.58 Can I amend a validated sub-product?

Yes, there is no need to 'invalidate' a sub-product to make amendments. However, if you have submitted your Agreement, you must first use the 'Withdraw' facility. Note this facility will not be available after the close of the bids round on 5pm 2 November 2007.

7.59 What development type (for Social HomeBuy) do we need to select in "create a project" – 3.Project window, scheme tab?

Incentive.

7.60 We understand we have to put a bid forward for each of the HC region, can you please confirm this is the case? If so, would it be possible to 'transfer' SHB allocation between regions (e.g. we have an allocation for 4, but we have 5 sales)?

Yes, bids need to be regional and yes it is possible to transfer the allocation between regions.

7.61 Is it possible to submit in-year bids for Social HomeBuy?

Yes, it is possible to do so.

Unit related questions

7.62 What is the difference between target and prospective rent?

Target rent is defined above at 7.9. Prospective rent is the rent at first letting.

7.63 Should the Expected Market Value be based on values now or at Practical Completion?

The value should be based on the value at practical completion.

7.64 Will I need to enter separate unit types for say a 3-bed, 4-person flat and a 3-bed, 5-person flat?

Yes; where there are significant differences between units, you should enter these as separate unit types (answered during session).

7.65 Should I enter the exact floor area, or will IMS accept a range (as previously)?

You should enter exact floor areas.

7.66 If I have similar units but with slightly varying floor areas, will I have to enter a separate unit type for each one?

We will accept an average floor area where units are similar in other respects. Where a number of units have floor areas within a similar (small) range.

7.67 What happens at scheme audit stage where a specific floor area is required if I've entered an average at bid stage?

Provided average is used based on a number of units within a small range (as outlined above) that is fine. Evidence of the calculation should be retained.

7.68 What happens if the actual unit provided turns out to be slightly smaller than stated at bids stage - will it have an impact on grant?

Yes if the difference is significant.

Forecast related questions

7.69 Can you clarify to which sub-product types the 'exchange of contracts' milestone applies?

This only applies to Open Market HomeBuy, SHB and HOLD sub products.

General questions

7.70 Can developing organisations enter bids data?

All bids are entered under the Lead Partner organisation code. The Lead Partner can chose to allow access to IMS under their organisation code to users outside of their organisation but this is completely on their own terms and in accordance with the terms and conditions for use of IMS.

7.71 Have the additional codes been removed?

Yes. Additional codes have been removed from the 2008 bid round. We are collecting monitoring data in a more direct and transparent way.

7.72 What is the measure used for Whole Life Costs?

The total maintenance costs as a percentage of the capital costs. 60 Yrs and >or< 80% is equivalent to 100Yrs and >or<85%.

See <http://www.housingcorp.gov.uk/server/show/conWebDoc.11735>

7.73 How can I validate Whole Life Costs?

The Corporation's Procurement Strategy published in August 2005 contained a commitment to investigate an improvement in how whole life costs might be measured. This is being addressed in two parts; firstly by commissioning BCIS to revisit and expand upon their original methodology and secondly, by commissioning Building Life Plans (BLP) to undertake a wider project resulting in a freely available web-based tool to assist affordable housing providers undertake whole life value assessments. The results of the first phase undertaken by BCIS are available on the Housing Corporation website. See <http://www.housingcorp.gov.uk/server/show/conWebDoc.11735>

7.74 Is the KW initiative restricted to particular regions?

See the Prospectus paragraphs 154 – 156.

7.75 If a scheme is funded by extended borrowing and it's entered under 'borrowing' on the 'cost and contributions' tab on the Sub Product window will it count against the partner?

No. We are concerned with ensuring value for public subsidy.

7.76 How should schemes with multiple phases be input?

It is recommended that each phase is set up as a project. If the phases are linked entered this as a comment.

7.77 The IMS automatically generates the prospective rent and it wont let you over type it. Does this mean we have to charge the target rent at letting? or can we charge a different rent even though this wont be as per that on the IMS?

IMS calculates the Target Rent (based on the Rent Restructuring formula) and it then copies this figure to the Prospective Rent field. However, if the

calculated rent exceeds the Rent Cap, it will use the Rent Cap instead. The rationale behind this is explained in the Prospectus at paragraph 235 (ii) Rent Levels: (a).

As you will see in the explanation, you do not have to charge the Target Rent at first letting. IMS has been amended to allow you to enter the prospective rent. Please note that Target Rent and prospective rents being in line is a bid stage requirement, and we may require revised figures as the scheme progresses.

7.78 Is there a limit to the size of attachments to an email when submitting supplementary information?

No – but large files should be zipped.

7.79 With regards to the question asked under the unit type which says, 'Replacement for a recent or to be demolished unit?', how far back can be counted as 'recent'?

If it was demolished and housing was always going to be re-provided on the site, then the exact timescale is not relevant.

7.80 Apply Comments function. 2 questions were asked: (i) Can you edit previously saved comments?; (ii) Can you view previous saved comments?

- (i) No, as the comments represent an audit trail between the bidder and the HC. However, bidders can supersede previous made comments with a later comment;*
- (ii) Yes, external users should be able to see all the comments that have been input including comments made by HC staff.*

7.81 Partnership name. - can the we enter the same name as previous years? If it's the same what should I do?

You cannot use the same name as the previous year but you can differentiate it by adding the programme year at the end, e.g. Partnership name 08/11.

7.82 OPS If 'other' is selected should it ask for a comment?

When selecting OPS a list of OPS codes appears, the system will allow you to select one or more as necessary and add comment details.

7.83 Milestone dates (units). What date should I enter as the milestone date? The resource date or the actual date?

The date on which the product will start on site.

7.84 Supported revenue £ is this for the all of the units for that unit type?

For all the units under the unit type you are inputting.

7.85 Will the system allow dates in the past for Exchange contracts and Acquisition milestones?

Yes it does.

7.86 Supported Revenue - although we are developing and managing the scheme the care/support will be provided by a 3rd party. Therefore we will not know the weekly cost of the support (the support revenue) for each resident. Can we leave this field blank?

The system should indicate if this is a mandatory field, and we would recommend that a value be added, regardless of whether the field is mandatory. You should seek advice from your proposed support provider about the estimated annual revenue support needed for the scheme as a whole and enter this figure in the bid.

7.87 Included in the Cost & Calculation screen in IMS you have the Capital Contribution Section. As this section is not mandatory, does it refer to Developer led S106 schemes or does it relate to the Capital Borrowing/Contribution of the RSL? Should the Capital Contribution Section be completed for every sub project?

The Capital Contribution section (Sub-Product screen, Cost and Contribution tab) refers to the RSL's borrowing and contributions, not the contributions from the developer under a S106.

For developer-led S106 schemes, details of the developer contribution is collected at the Project screen, Details tab.

The Capital Contributions section should be completed for every Sub-Product for which it is relevant.

8. Code for Sustainable Homes

8.1 How many levels are contained within the Code?

Six. Whereby Level 1 is very much a basic entry standard with the requirements increasingly cranking up to Level 6 which is aimed at reducing the carbon emissions to zero.

8.2 What will Code Level 3 mean for new homes?

Homes with substantially lower CO₂ emissions and lower water use. This means lower fuel/water bills. These homes will also meet other environmental elements such as causing less water run off, using more sustainable materials and encourage less construction waste to landfill.

8.3 From when does the Code apply for RSLs and others in receipt of grant?

Code level 3 will be a mandatory requirement for all new build homes with grant support under the auspices of the 2008-10 NAHP arrangements.

8.4 Is the Code mandatory for private sector providers?

Not at present. However, it is proposed that from April 2008 private sector providers will be required to undertake a CSH assessment (but without the need to meet any particular level) for all new build homes.

8.5 Does the Code apply to private developers or house-builders when providing affordable housing through section 106 agreements?

Yes, if grant support is involved.

8.6 Do schemes with a 2006-08 NAHP allocation that complete post-April 2008 need to comply with Code level 3?

No. Schemes with 2006-08 allocations need to comply with the rules applicable to the 2006-08 NAHP bid competition. Ecohomes Very Good was the equivalent requirement for this competition. Where a higher Ecohomes rating (Excellent) was committed to then the higher rating should be delivered.

8.7 How are pipeline schemes affected?

Schemes which have been assessed under the 2006-08 NAHP arrangements will continue on the basis of the standards applicable to 2006-08 allocations.

8.8 Does the Code apply to LCHO schemes?

Yes. Whilst some other Corporation standards are not mandatory for LCHO schemes, the Code is.

8.9 Does the Code apply to Rehab or refurbishment schemes?

Not at present. However it is understood that Ministers are minded to bring in equivalent measures in the future. RSLs may find that implementation of Ecohomes XB may assist them in ameliorating the effect that implementation of Code type measures may have on their refurbished or existing stock.

8.10 How much extra will the Code cost to implement over and above Ecohomes 'Very Good'?

There are several ways in which Code Level 3 may be met. Individual grant recipients will have varying views and preferences. Therefore it is important that RSLs and their investment partners undertake their own assessments based upon the approach to be adopted on individual schemes. However, based upon a broad range of early assumptions and a report provided by external consultants the Corporation assessed the national impact of achieving Code Level 3 over and above EcoHomes Very Good to be an average of 4%.

See also <http://www.housingcorp.gov.uk/server/show/ConWebDoc.10469>

8.11 Will the Corporation be providing any guidance upon the most cost-effective way of implementing Code level 3?

The Corporation has let a service level agreement with an appropriately experienced external consultancy (Sustainable Homes) to provide a range of guidance and training in relation to sustainability issues. The training includes guidance on the most cost effective way of meeting Code level 3. Four training sessions are planned to take place in October 2007 specifically for Lead Investment Partners. Other training is separately available. Contact Sustainable Homes for details.

8.12 Will the Corporation be in a position to grant waivers where the achievement of level 3 is not possible?

Generally No. But see 5.10 for exceptions.

8.13 Have any special measures been incorporated into the Code for schemes that are 'off-gas' such as many rural schemes?

No, but some rural locations will find it easier to meet the energy requirements under the Code. In locations where there is consistent wind the use of wind turbines could meet the energy requirements significantly cheaper than an equivalent 'on-gas' solution.

Other 'off-gas' alternatives solutions are available but are likely to be more expensive.

8.14 What 'rewards' are to be available within the 2008-10 NAHP for bidders that commit to achieving higher than Code level 3?

During the bid assessment process for the 2008-10 NAHP competition the Grant Index will enhance the value of bids which commit to achieving Level 4 or above.

8.15 Are any 'rewards' available to grant recipients that achieve Code level 3 or higher in the completion of schemes with 2006-08 NAHP allocations?

Grant recipients who provide high quality outputs will find reflection in their ranking within the Value for Grant Comparator which is increasingly being used to assess the performance of existing and potential investment partners.

8.16 Are any grants available to support the achievement of low carbon schemes?

Yes, via the DTI's Low Carbon Buildings Programme. The most appropriate stream for RSL, under Phase 1 of the Low Carbon Buildings Programme, is Stream 2B which is designed for New Build. The maximum available is up to £1 million or 50% of installation costs. RSLs can also apply under Phase 2 where grants are available to any public sector organisation to support the costs of selected low or zero carbon technologies (LCZ) in low carbon developments.

More information online can be found at - www.lowcarbonbuildingsphase2.org.uk

8.17 How will the achievement of Code Level 3 or above be validated?

The Code framework requires that a certificate of assessment be obtained for each build type from an accredited assessor at design stage and that a further certificate be obtained at post-completion stage. The Corporation will rely upon these certificates to validate achievement as part of its compliance audit arrangements.

8.18 Who are regarded as accredited assessors?

The Building Research Establishment (BRE) is responsible for a the accreditation process of assessors. BRE are currently in the process of re-training all Ecohomes Accredited Assessors to carry out the required certifications under the Code.