THE NATIONAL **AFFORDABLE HOMES** AGENCY

Investment Statement 2008-11

April 2008

North West

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1. Foreword from the Field Director

I am delighted to be introducing this Regional Investment Statement which outlines our initial allocations from the National Affordable Housing Programme for 2008-11.

In building our regional programmes we looked to achieve a number of key objectives to ensure that our allocation decisions were sound and in support of the regional priorities for each northern region. These objectives included:

- meeting the regional priorities laid down by the Regional Housing Boards;
- ensuring that the individual intricacies of the 3 northern regions were taken account of whilst not losing sight of those issues that cut across the North;
- linking our investment decisions to economic regeneration and development;
- concentrating our investment around the City Regions where economic prosperity can be best influenced;
- maintaining a continued focus on the provision of larger family homes;
- continuing to meet challenging efficiency targets and ensuring best value for grant.

Out of the total £1bn available for allocation across the North we have made new allocations of just over £475m in this first round of allocations. This equates to a little over 47% of the funds available to us and will deliver 11,152 new homes for rent and sale.

The remainder of our resources will be allocated through an ongoing process of regular market engagement where we will seek to add to the initial allocations with more quality schemes that will meet regional priorities and contribute to the delivery of the targets set by Government in recent months.

Our regional investment priorities continue to address diverse challenges and include the provision of homes in rural areas, support for the elderly and BME communities and ongoing support for Housing Market Renewal.

We are committed to delivering affordable homes to focus on the priority areas where they are most needed. Allocations were strategically directed in each of the three regions in line with the evolving Regional Housing Strategies in the North:

- £194.8m allocated to building 10,800 larger family homes. This constitutes 42% of the overall initial allocations for the 3 northern regions.
- a concentration of investment towards City Regions in order to contribute to economic growth.
- ongoing support for Housing Market Renewal with £193m allocated to the northern Pathfinders and priority areas – equating to 41% of our overall programme.

The programme will build on the success of previous years and will continue to be delivered through our Investment Partners, which includes a mixed economy of providers ranging from Housing Associations, ALMOs and new partners from the private sector.

As we move closer to the creation of the Homes & Communities Agency we will align our work with that of English Partnerships and will continue to work closely with Local Authorities, reinforcing the strength of our partnership along the way.

We will continue to encourage opportunities for innovative approaches to design and procurement and closer strategic working to provide well designed affordable homes in sustainable communities.

I very much look forward to the challenge of beginning the delivery of this ambitious programme and creating a positive legacy that will deliver the affordable new homes in sustainable communities that are needed across the North and one that the Housing Corporation can be proud to hand to the Homes and Communities Agency.

John Carleton

Field Director – North

March 2008

2. Introduction

This Investment Statement summarises the initial allocations made to the National Affordable Housing Programme in the North West for 2008/11. The table below sets out the split of the programme by heading.

Table 1 – Overall regional allocations

	RENT	LCHO				Sub-total	Other	Grand total
		HBYNB	OMHB	HOLD	LCHO Total			
Value (£m)	216.8	56.8	9.5	1.5	67.8	284.6	5.6	290.2
Homes	3,993	2,054	270	45	2,369	6,362	187	6,549

The heading "other" refers to Works to RSL Stock (WTRSLS). Works to RSL Stock allocations will enable 61 homes to be remodelled and a further 126 will benefit from major repairs.

Because it is a demand-led product, OMHB has been excluded from most subsequent analysis in this Investment Statement (although as there is a regional assembly expectation covering this, it is included in analysis for section 5). References to LCHO cover New Build HomeBuy (HBYNB), Intermediate Rent and Home Ownership for the Long-term Disabled (HOLD) unless otherwise stated.

Resources of £526m have been made available for the provision of affordable housing in the North West for 2008/11. Of this, £157m for year one has been confirmed for the Housing Corporation and there is some flexibility around resource for years 2 and 3. However, the resource is to be used for the provision of affordable housing and there is an expectation that outputs of around 6,900 rent units and 3,000 sale units will be achieved over the period.

The first call on this resource is ongoing commitments from previous years, which at the point the programme was proposed, were in the order of £62m leaving £464m for new allocations.

Including WTRSLS, the North West received 1,028 bids totalling £519.6m for projects to commence (e.g. claim the first tranche of grant) in the period 2008/13. 1,008 of these bids were for schemes to commence within the programme period 2008/11 for a total expenditure of £508.2m, which makes for a ratio of funds bid for to actual allocation of 1.8 : 1.

Our initial allocations in the sum of £290.2m represent 55% of the resource available for the provision of affordable housing, or 63% if existing commitments are netted off this resource first.

We have also approved a small number of ‘pre-allocations’ – schemes that will not achieve a first payment within the programme period and these are outlined towards the end of this statement.

In its prospectus for the 2008/11 bid round the Corporation signalled that it may not allocate all available resources to allow providers access to investment for new development opportunities through additional market engagement. This will enable us to be more responsive to development opportunities as they arise and to improve programme delivery by accepting schemes with more robust delivery timetables.

We will engage with the market on a quarterly basis to build up the programme to a level that will deliver our various targets.

In addition to the above, a small amount of money in the order of £650k will be made available for Social HomeBuy - a demand-led programme that allows existing tenants to acquire a stake in their home.

3. Competition

The table below gives a breakdown of the bids received and accepted by the types of bidders for the rent and LCHO programmes.

We received bids from a wide range of partners including three private sector developers and a Special Purpose Vehicle involving Knowsley MBC. Bids were also received (and accepted) from ALMOs in Wigan, Warrington and Stockport for the management and ownership of homes. The overall grant average of the bids received was good and enabled us to make a substantial level of allocations within the efficiency levels set for the region.

We have four partners in the programme, Irwell Valley HA, Countryside Properties, Knowsley Housing Trust and JV North.

Table 2 - Bids received

Product	Type of partner	Number of bidders	Value (£m)	Homes	Grant per unit (£k)
RENT	Private Sector Partner	3	16.4	310	52.9
	Housing Association	21	357.4	6,434	55.5
	Special Purpose Vehicle	1	6.3	142	44.6
	Total	**25**	**380.1**	**6,886**	**55.2**
LCHO	Private Sector Partner	1	1.0	36	26.7
	Housing Association	17	123.0	4,383	28.1
	Total	**18**	**124.0**	**4,419**	**28.1**
Grand total		**26**	**504.1**	**11,305**	**44.6**

Table 3 - Bids accepted

Product	Type of partner	Number of successful bidders	Value (£m)	Homes	Grant per unit (£k)
RENT	Private Sector Partner	1	11.6	211	55.0
	Housing Association	18	200.6	3,676	54.6
	Special purpose vehicle	1	4.6	106	43.6
	Total	**20**	**216.8**	**3,993**	**54.3**
LCHO	Private Sector Partner	1	0.2	12	18.6
	Housing Association	16	58.1	2,087	27.8
	Total	**17**	**58.3**	**2,099**	**27.8**
Grand total		**22**	**275.1**	**6,092**	**45.2**

4. Overall allocations

The table below shows how allocations for rent and LCHO homes are geographically distributed within the region.

Table 4 – Sub-regional allocations

Sub-region	RENT			LCHO		
	Value (£m)	**Homes**	**Grant Per Unit (£k)**	**Value (£m)**	**Homes**	**Grant Per Unit (£k)**
Cheshire	23.1	483	47.7	5.2	237	22.1
Cumbria	19.8	311	63.6	1.0	35	27.4
Lancashire	35.8	646	55.4	9.5	338	28.1
Greater Manchester	73.8	1,344	54.9	17.9	642	27.8
Merseyside	64.4	1,209	53.3	24.8	847	29.2
Total	**216.8**	**3,993**	**54.3**	**58.3**	**2,099**	**27.8**

To complete the picture, miscellaneous (i.e. WTRSLS) allocations are as follows:

Table 5 – Miscellaneous allocations

Sub-region	MISC - WTRSLS		
	Value (£m)	**Homes**	**Grant Per Unit (£k)**
Cheshire	0.02	8	2.3
Cumbria	0.17	18	9.6
Lancashire	0.24	12	19.9
Greater Manchester	1.87	47	39.9
Merseyside	3.33	102	32.6
Total	**5.63**	**187**	**30.1**

5. Summary of performance against Regional Housing Board targets

In making allocations the Housing Corporation assessed the strategic fit of each scheme against the priorities within the Regional Housing Strategy. In support of this we also agreed with the Regional Housing Board (RHB) the level of resource to be allocated to each theme within the strategy. The themes, or priorities are as follows:

<u>Priority 1 - Delivering Urban Renaissance</u>

Within this heading 4 sub-priorities are identified:

- 1.1 to maximise the positive impacts of the 4 Housing Market Renewal Pathfinders in their broader housing markets;
- 1.2 to maximise the positive impact of the emerging market re-structuring work in West Cumbria and Furness;
- 1.3 to support cohesive strategic activity to tackle inappropriate supply of housing in Blackpool, Fleetwood and Morecambe currently acting as a drag on local economic regeneration;
- 1.4 to support cohesive strategic activity to prevent low demand, tackle inappropriate supply and support Neighbourhood Renewal in other areas at risk of market failure, applying and adapting lessons from the Pathfinders.

The Board's expectation was that we would target 60% of available resource to Priority 1.

<u>Priority 2 – Providing Affordable Homes to maintain balanced communities</u>

Specifically, the aim of this theme is to tackle shortages of affordable housing in areas of the North West where demand for additional housing is high, where this impacts adversely on social inclusion and the sustainable growth of local, sub regional and regional economies. The expectation was that we would target 25% of available resource to Priority 2.

<u>Priority 3 – Delivering Decent Homes in thriving neighbourhoods</u>

More specifically, to improve the condition of housing stock with a sustainable future as part of broadly based regeneration strategies, particularly in areas of concentrated unfitness and disrepair. The expectation was that we would target 2% (as a maximum) of available resource to Priority 2.

<u>Priority 4 – Meeting the needs of communities and providing support for those who need it</u>

Two priorities have been identified under this heading and the aim was to target 13% of available NAHP resource to this priority:

- 4.1 to ensure that action under the RHS priorities 1-3 contributes to meeting the needs of the North West's diverse communities and those individuals needing support;
- 4.2 to encourage and support specialist housing provision to meet community and individual needs via targeted action at local level.

The table below shows the actual allocations made against each of the themes

Table 6 – Performance against Regional Housing Board priorities

NW regional priority	Regional Assembly expectation	Total Grant Requested (£m)	Grant %	No of Units	Units%
(1.0) Delivering Urban Renaissance	60%	161.1	57.4%	3,405	54.2%
(1.1) HMRI pathfinders		120.7	43.0%	2,513	40.0%
(1.2) West Cumbria		5.5	2.0%	102	1.6%
(1.3) Coastal Lancashire		10.0	3.6%	197	3.1%
(1.4) Other areas at risk		24.9	8.9%	593	9.4%
(2.0) Providing Affordable Homes	25%	71.9	25.6%	1,778	28.3%
(3.0) Delivering Decent Homes	2%	3.2	1.1%	126	2.0%
(4.0) Meeting the Needs of Communities	13%	44.5	15.8%	970	15.4%
Total	**100%**	**280.7**	**100%**	**6,279**	**100%**

This analysis includes miscellaneous allocations as the third regional priority is dependent on works to existing stock (but not OMHB as this is demand-driven).

It can be seen that our initial allocations are broadly in line with the Board's expectations. The differences between these various thematic targets and recommendations and what has actually been allocated will be rebalanced over the life of the programme through regular market engagement.

Spatial distribution

Although the priorities within the Regional Housing Strategy are expressed thematically rather than spatially, the Board did make recommendations on how our allocation should be distributed geographically within the region.

The table below shows how the allocations made so far (including allocations for works to existing stock but excluding OMHB as this cannot be assigned geographically) break down by sub-region against the recommendations.

Table 7 – Regional Housing Board expectations by sub-region

Sub-Region	Regional Assembly expectation	Actual allocation as at 28 February 2008 (including MISC)
Cheshire	7.6%	10.1%
Cumbria	10.6%	7.4%
Lancashire	19.9%	16.2%
Greater Manchester	33.1%	33.3%
Merseyside	28.8%	32.9%
Total	**100.0%**	**100.0%**

Larger homes

The table below shows the Regional Housing Board's expectations as to the proportions of rent and sale units that should be delivered and the proportions of these that should be larger family homes.

This analysis therefore excludes miscellaneous allocations, although the 270 OMHB units we have provided for are included.

Table 8 – Regional Housing Board expectations by product

	Regional assembly Recommendation	**Units from initial allocation at 28 Feb 2008**
Social rented	70% of all completed units	63% of countable units
of which, larger homes	37% (i.e. 26% of total)	38% of social rented units
LCHO	30% of all completed units	37% of countable units
Comprising:		
OMHB (incl. HOLD)	5% of all completed units	5% (45 HOLD units plus notional allocation of 270 OMHB over the three years)
of which, larger homes	0.5% (i.e. 0.025% of total)	Cannot say at this stage as OMHB is a demand-led product
HBYNB (inc INTRENT)	25% of all completed units	32%
of which, larger homes	8% (i.e. 2% of total)	38%

Rural homes

The final target set was in respect of rural units - delivery of homes in settlements of 3,000 or fewer people.

The original recommendation set by the RHB was that there should be 113 starts-on-site per annum from the new allocation in settlements with a population of 3,000 or lower.

This has been superseded by more recent targets – likely to be a total of 517 completions in the three-year period, whether from existing commitments or new allocations.

We have allocated grant to deliver 257 homes in rural areas, of which 247 will complete before the end of the 2008/11 period.

In addition, at the time the programme was being put together, forecasts based on our existing commitments indicated the delivery of a further 74 rural units, making a total of 321 rural completions in the 2008/11 period. This leaves 196 rural units to be brought into the programme through regular market engagement.

6. Regional regular market engagement strategy

As indicated above we have allocated 63% of the net (i.e. less existing commitments) resource available for the provision of affordable housing. Resources for new projects in 2008/9 are limited but we will be looking to add some additional schemes, particularly those that can start on site in 2008/9 and complete before March 2011. Accepting that resources are not finalised for years 2 and 3 the Housing Corporation's regional priorities for RME are as follows:

Rent schemes
The region is looking to achieve c. 6,900 rent completions by March 2011. Allocations which assist in the achievement of these outputs will be priority for us

Rural completions below 3,000
We will be looking for rural schemes that assist in achieving 517 homes in areas with a population of less than 3,000. In order to achieve this we will want to work closely with rural local authorities and housing providers to identify additional projects.

Northern Housing Challenge
Bids were received in the sum of £16.9m for Northern Housing Challenge projects. For a variety of reasons we were only able to accept a small number of these bids. However, if we are able to resolve outstanding issues with other schemes these will be re-considered through RME

CLT schemes
Two bids were received for schemes related to Community Land Trusts. In principle, we would have liked to support these schemes but there are some policy issues that need to be resolved before these schemes can be accepted. Should the policy issues be resolved we will re-consider these schemes through RME.

Schemes for Cumbria and Lancashire
Although the Regional Housing Strategy doesn't have a geographic split, we did agree estimated levels based on the distribution spatially of the priority themes. The initial distribution is slightly lower than planned for these two sub-regions and we will want to re-balance this through RME.

Maintaining % of larger homes
In all RME activity we will want to maintain the commitment to larger homes that is three bed and above.

We are conscious that the Regional Housing Strategy is in the process of being revised and we will want to take this into account at later stages of RME.

This will be a quarterly process and we will be keen to address the above priorities. However, we do also want to ensure that resources are focused on schemes with certainty of delivery and would encourage bidders re-submitting bids through RME to ensure that they have considered and can demonstrate that:

- any necessary value-for-money improvements have been made;
- there is a clear delivery plan which includes planning permission and land purchase;
- there is LA support for the project;
- any necessary improvements to standards have been made.

7. Value

<u>Value for grant</u>

Following on from the pro-active work done with colleagues from Partners, local authorities and the Regional Housing Board to consider how we could jointly address cost issues within the North West programme, a good level of bids was received for 2008/11. The overall average grant of the bids received was within the range of grant efficiencies set for the region and this has enabled us to put together a programme that achieves the required efficiency levels for both rent and LCHO programmes.

Table 9 – Value for grant

	RENT			LCHO		
Sub-region	**Grant per unit (£k)**	**Grant per person (£k)**	**Grant as % TSC**	**Grant per unit (£k)**	**Grant per person (£k)**	**Grant as % TSC**
Cheshire	47.7	17.4	40.9%	21.4	6.4	16.3%
Cumbria	63.6	17.0	48.0%	27.4	6.4	20.7%
Greater Manchester	54.9	13.9	41.5%	27.8	6.5	19.7%
Lancashire	55.4	13.9	44.0%	28.1	6.4	19.1%
Merseyside	53.3	13.8	41.7%	29.1	7.5	22.0%
Total	**54.3**	**14.4**	**42.4%**	**27.7**	**6.9**	**20.2%**

NB - the figures in this table exclude the 45 HOLD schemes from analysis for valid comparison with the efficiency targets.

<u>Costs</u>

Table 10 - Costs

	RENT			LCHO		
Sub-region	**Acq cost per unit (£k)**	**On Costs per unit (£k)**	**Works cost per unit (£k)**	**Acq cost per unit (£k)**	**On Costs per unit (£k)**	**Works cost per unit (£k)**
Cheshire	15.9	16.0	84.8	17.1	20.1	88.6
Cumbria	12.5	17.6	102.4	24.5	17.5	90.6
Greater Manchester	17.1	14.1	101.1	21.9	18.1	98.0
Lancashire	26.2	16.7	83.0	39.2	20.4	81.7
Merseyside	18.5	18.3	91.1	25.2	19.8	85.7
Total	**18.5**	**16.3**	**93.3**	**25.5**	**19.4**	**89.2**

S106 additionality

It can be seen from the table on the following page, that only a very small proportion of schemes with developer contribution under s106 agreements were accepted into the North West programme. There is a basic expectation that these schemes should be delivered without grant and we generally only approve these if there is clear evidence of additionality made possible by grant funding.

Table 11 – s106 additionality

	RENT				**LCHO**			
	Proportion of expenditure		**Grant per unit (£k)**		**Proportion of expenditure**		**Grant per unit (£k)**	
Sub-region	**S106**	**non S106**	**S106**	**non S106**	**S106**	**non S106**	**S106**	**non S106**
Cheshire	1.2%	98.8%	40.0	47.8	0.0%	100.0%	0.0	22.1
Cumbria	0.0%	100.0%	0.0	63.6	0.0%	100.0%	0.0	27.4
Greater Manchester	0.0%	100.0%	0.0	55.3	0.0%	100.0%	0.0	27.8
Lancashire	3.8%	96.2%	23.7	58.5	1.0%	99.0%	4.5	29.8
Merseyside	1.2%	98.8%	53.3	53.3	2.7%	97.3%	32.1	29.2
Total	**1.1%**	**98.9%**	**26.9**	**54.9**	**1.3%**	**98.7%**	**18.0**	**28.0**

8. Geographic investment priorities

Rural

As outlined in section 5, provision of affordable housing in areas with a population of 3,000 or fewer is a priority for the Regional Housing Board. The table below shows the split by sub region of the allocations made in this category (and for all other rural allocations).

Table 12 – Rural allocations

		RENT			LCHO		
		Value (£m)	Homes	Grant Per Unit (£k)	Value (£m)	Homes	Grant Per Unit (£k)
Population less than 3,000	**Cheshire**	0.8	16	52.9	0.2	9	23.3
	Cumbria	4.7	72	64.9	0.7	25	28.4
	Greater Manchester	1.0	20	50.0	0.0	0.0	0.0
	Lancashire	3.1	55	56.3	1.7	60	27.9
Population less than 3,000 total		**9.6**	**163**	**59.0**	**2.6**	**94**	**27.6**
Population between 3,001 and 10,000	**Cheshire**	2.2	47	47.5	0.2	11	22.1
	Cumbria	7.6	110	69.5	0.0	0.0	0.0
	Greater Manchester	0.4	7	50.0	0.0	0.0	0.0
	Lancashire	1.5	39	39.1	0.0	3	0.0
Population between 3,001 and 10,000 total		**11.8**	**203**	**57.9**	**0.2**	**14**	**17.4**
Total rural		**21.4**	**366**	**58.4**	**2.8**	**108**	**26.3**

Pathfinders

Pathfinders are covered by the Regional Housing Strategy under the Urban Renaissance theme. The table below shows the amount allocated to each of the Pathfinder areas.

Table 13 – Allocations to Pathfinder areas

	RENT			LCHO		
Pathfinder	**Value (£m)**	**Homes**	**Grant Per Unit (£k)**	**Value (£m)**	**Homes**	**Grant Per Unit (£k)**
Furness and West Cumbria	5.3	92	57.4	0.3	10	25.0
East Lancashire	10.9	187	58.3	2.5	101	25.0
Manchester & Salford	27.8	460	60.4	6.5	214	30.3
Merseyside	41.2	726	56.7	17.0	551	30.9
Oldham & Rochdale	12.0	187	64.0	1.9	65	28.6
Total	**97.1**	**1,652**	**58.8**	**28.2**	**941**	**29.9**

Northern Challenge

From the shortlist of 17 proposals agreed by the Housing Minister in February 2007, the Housing Corporation undertook a detailed assessment of these outline bids using the same criteria as in the 2008/11 NAHP bid round.

Six of the projects across the North have been successful in receiving an allocation in the first bid round.

Further work is being undertaken on another seven projects across the North and bids are expected under Regular Market Engagement. Four projects failed due to fundamental reasons e.g. sites were lost or not available.

The resulting allocations and units from the initial bid round for the North are as follows:

Table 14 – Northern Challenge allocations

Region	**Total Grant £m**	**Units**
North East	£2.150	69
North West	£0.818	23
Yorkshire & Humber	£16.270	447

There were two successful Northern Challenge projects to be delivered in the North West. Both are rent schemes in Rochdale:

Table 15 – Northern Challenge allocations in the North West

Project	**Value(£)**	**Homes**
McClure Street, Rochdale	378,000	15
Elder Street, Rochdale	440,000	8
Total	**818,000**	**23**

9. Thematic investment priorities

Supported housing

Supported Housing is a theme within the Regional Housing Strategy (priority 4) where it includes provision for older people. The table below shows the allocations made against the Housing Corporation's supported housing client groups.

Table 16 – Supported housing allocations

	RENT		LCHO	
Client group	**Homes**	**Grant per unit (£k)**	**Homes**	**Grant per unit (£k)**
Specialist housing for older people	407	53.0	131	28.9
Housing for Older People	10	65.0	0	0.0
Total housing for older people	**417**	**53.3**	**131**	**28.9**
Homeless families with support needs	58	62.1	0	0.0
Offenders and people at risk of offending	24	46.0	0	0.0
People with alcohol problems	24	93.6	0	0.0
People with learning disabilities	6	53.4	0	0.0
People with mental health problems	184	43.4	87	20.1
People with physical or sensory disabilities	99	47.9	0	0.0
Rough Sleepers	22	95.7	0	0.0
Teenage Parents	31	50.4	0	0.0
Women at risk of domestic violence	64	61.9	0	0.0
Young People at risk	59	58.1	0	0.0
Young people leaving care	6	26.7	0	0.0
HOLD allocation	0	0.0	45	33.9
Total other supported housing	**577**	**54.1**	**132**	**24.8**
Total supported housing	**994**	**53.8**	**263**	**26.9**

The total grant cost (in £m) of the above units is as follows:

Table 17 – Total supported housing allocations

	Rent	**LCHO**	**Total**
Total housing for older people	22.2	3.8	26.0
Total other supported housing	31.2	3.3	34.5
Total supported housing	**53.4**	**7.1**	**60.5**

This analysis looks at allocation to supported housing under any of our regional themes, not just those designated as priority 4 - "Meeting the needs of communities and providing support for those who need it", but also supported units that have been classified as e.g. "Delivering Urban Renaissance"

In addition to these, we are aware of further schemes that would ordinarily be categorised as being supported housing, but cannot be included in this analysis due to problems with the coding on the bid. These represent a further £10.2m to fund 165 homes for rent and 10 LCHO units.

Larger homes

The Corporation is concerned about levels of overcrowding and monitors the levels of larger family accommodation provided within its programmes. This also a concern for the Regional Housing Board and the table below shows the split of allocations for larger homes (three bedrooms and above) by sub region.

Table 18 – Allocations for homes with three or more bedrooms

		Value (£)	**Homes**	**Grant per unit (£k)**
RENT	**Cheshire**	3.2	58	54.6
	Cumbria	7.8	107	73.0
	Greater Manchester	34.4	556	61.9
	Lancashire	13.7	269	50.9
	Merseyside	28.9	511	56.5
RENT Total		**88.0**	**1,501**	**58.6**
LCHO	**Cheshire**	0.6	23	28.1
	Cumbria	0.5	16	30.2
	Greater Manchester	7.9	258	30.6
	Lancashire	5.2	187	27.6
	Merseyside	9.2	295	31.3
LCHO Total		**23.4**	**779**	**30.1**
Region Total		**111.4**	**2,280**	**48.8**

The Regional Assembly's expectation is that 37% of all rented homes will be larger family homes, as will 8% of HBYNB. In our allocations, we have met both of these targets.

Meeting the needs of BME communities

In the context of a more mixed economy of affordable housing provision and with significant new communities emerging, the Corporation has developed a new approach to meeting the needs of BME communities for its 2008/11 programme. We require all Investment Partners working in areas with a significant BME population to produce a BME method statement.

This seeks to ensure that all Investment Partners operating in areas with a significant BME population work with community organisations, including BME associations, to engage them in activities such as project design, access to lettings, property management or ownership. All successful bidders have provided statements and we have reviewed these and are providing feedback where further work is required. The Corporation recognises that there may be instances in which specialist BME provision cannot be incorporated within an investment partnership, perhaps because there is no suitable organisations operating in an area. We have therefore retained a specialist investment route to accommodate such projects.

Design & quality

The Corporation is committed to high quality design and has recently revised its Design and Quality Standards. These apply to schemes accepted within the 2008/11 programme as does the Code for Sustainable Homes Level 3.

Table 19 – Allocation for homes meeting CSH3 or higher

	RENT		**LCHO**	
	% of total	**Homes**	**% of total**	**Homes**
Meeting CSH3	94.8%	3,071	99%	1,747
Meeting CSH 4 or higher	3.8%	124	1%	17
Total		**3,195**		**1,764**

98.6% of applicable homes for rent meet CSH3 or CSH4. There is one supported scheme with communal space that is recorded as meeting CSH 1*** - this should have been coded as “Not applicable”. If this had been done, 99.9% of applicable homes for rent would have met Code for Sustainable Homes 3*** or 4****

LCHO affordability

The following table analyses the LCHO units we have allocated, showing for each sub-region, the average proportion of equity sold in the first tranche, and the average rent charged on the retained equity (as a percentage).

Table 20 – LCHO affordability

Sub-region	**Average rent as a % of unsold equity**	**Average % first tranche sale**
Cheshire	2.50	53.68
Cumbria	2.50	52.08
Greater Manchester	2.70	54.02
Merseyside	2.74	51.83
Lancashire	2.73	50.08
North West Total	**2.70**	**52.28**

As can be seen, there is very little variation within the region at the level of sub-regional average (although individual schemes may vary more widely).

We set a cap on rent of 3% of unsold equity and required associations to clarify schemes where they wished to set this at 2.75% or higher.

10. Pre-allocations

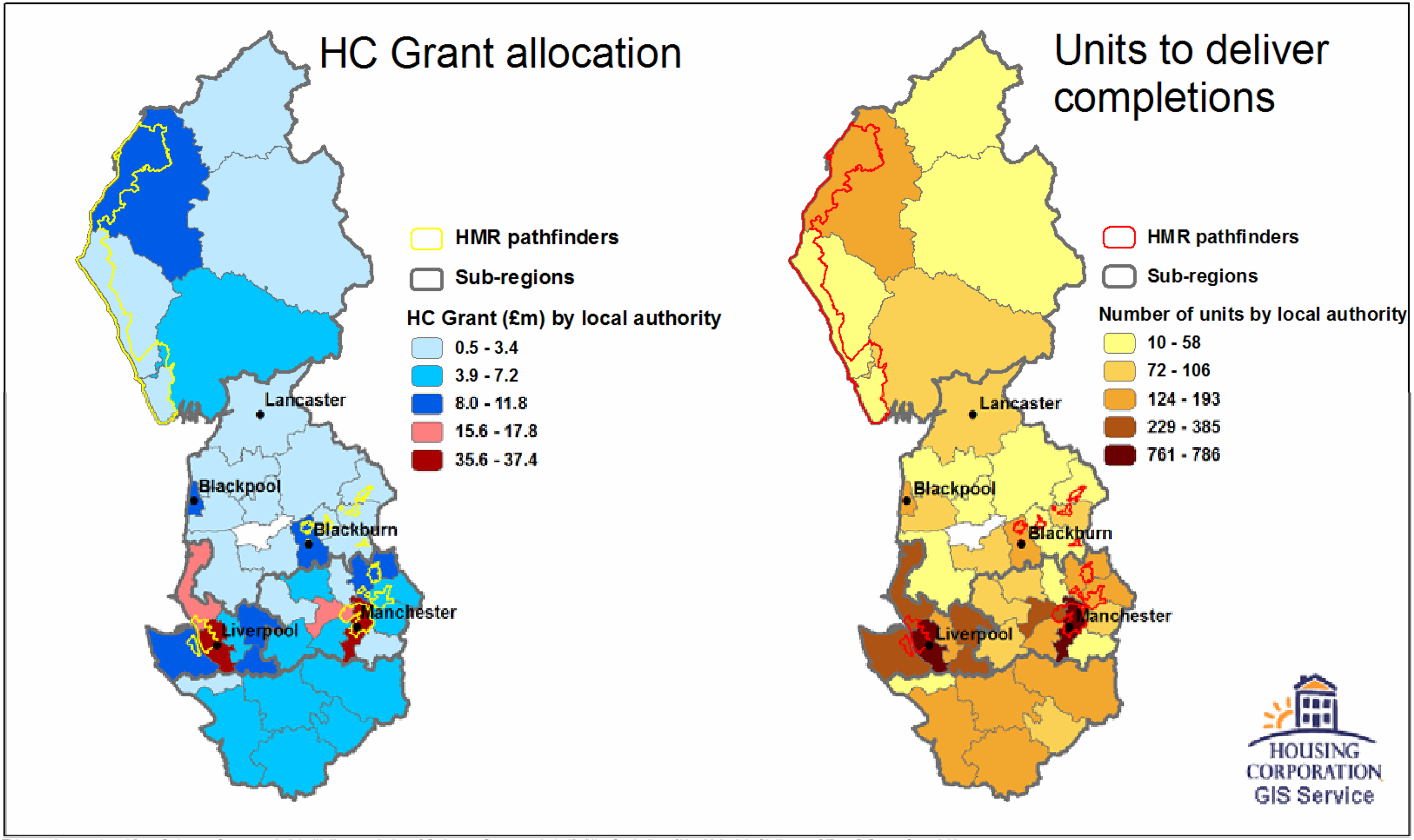
In addition to the allocations outlined and discussed above, we have approved 7 off-the-shelf schemes that will not complete until after 31 March 2011.

Table 21 – Pre-allocations

Sub-region	**Rent**		**LCHO**	
	Value (£m)	**Homes**	**Value (£m)**	**Homes**
Lancashire	0.8	12	0.1	20
Merseyside	0.9	16	0.3	9
Total	**1.7**	**28**	**0.4**	**29**

These are all in HMR pathfinder areas – four in the Elevate East Lancashire area and three in the Merseyside NewHeartlands pathfinder.

National Affordable Housing Programme 2008/11
North West Region - Investment Statement April 2008



Revised on: 03 April 2008
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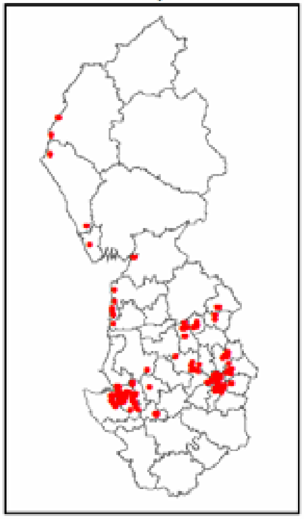
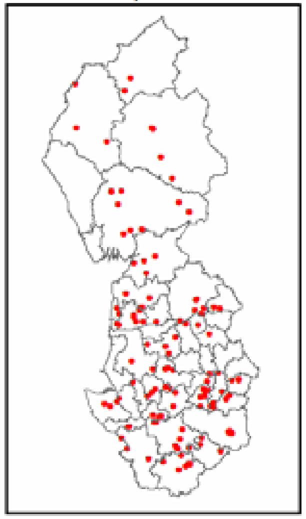
National Affordable Housing Programme 2008/11
North West Region - Investment Statement April 2008

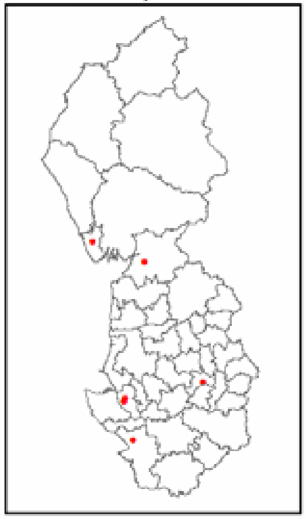
Priority 1 (Urban Renaissance) schemes



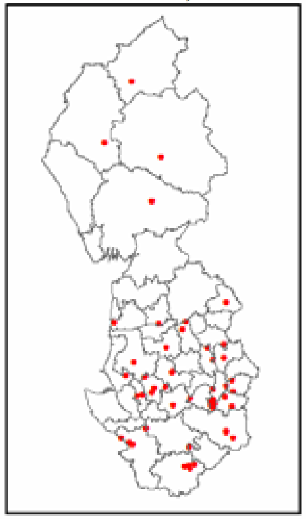
Priority 2 (Affordable Homes) schemes



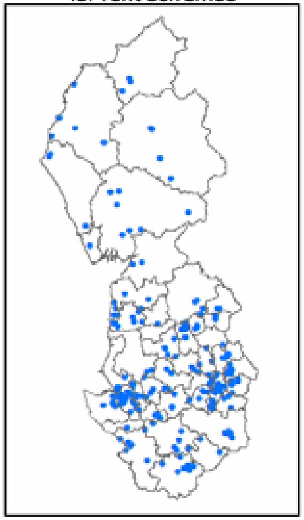
Priority 3 (Decent Homes) schemes



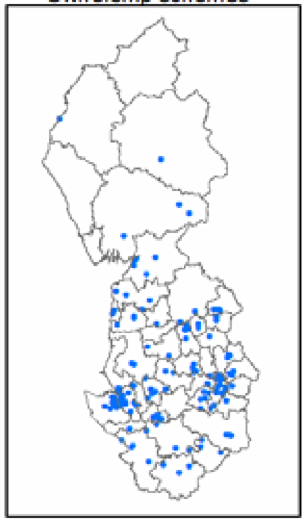
Priority 4 (Supporting Communities) schemes



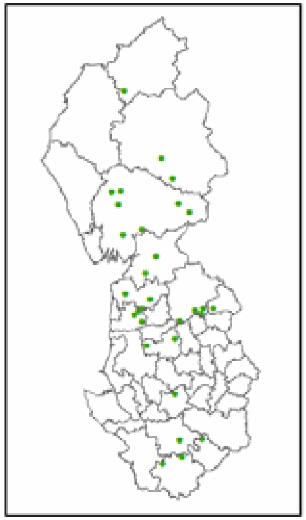
Affordable housing for rent schemes



Low Cost Home Ownership schemes



Schemes in rural areas



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