

Questions from Partner briefing session

11 September 2007

1. What will happen with emerging strategic sites (i.e. sites that come into play over the programme period but are not currently in the Regional Assembly's designation)?

Projects on defined strategic sites can receive investment allocations for starts on sites in years 4 and 5 (i.e. 2011-12 and 2012-13.) The listing of strategic sites plays no other role in assessment. Within the available resource limits we will consider making further year 4 and 5 allocations to strategic sites during regular market engagement. The set of sites has been agreed with RAs and CLG. Whilst we will continue dialogue with stakeholders, bidders should work on the assumption that the set of strategic sites is fixed for the duration of the programme.

2. When will regular market engagements start and how regular will they be?

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.

3. The Grant Index adjusts for time – doesn't this encourage us to bid for schemes early?

We will prioritise bids which give early completions (i.e. in 2008-09) over other bids, *where all other things are equal*. The main factors which will improve a GI score are the amount of grant bid for and the quality achieved. All bids with completions beyond 2008-09 will have the same adjustment applied. Bidders should indicate accurately when projects are anticipated to complete, as these dates will form the basis of programme delivery targets.

4. Will you be using 'reserve' allocations in 2008-11?

The facility to make reserve allocations remains. However, within the context of Regular Market Engagement, it is anticipated that we will make limited of that facility.

5. Are you looking for dedicated key worker projects and will you set key worker targets?

We are not inviting bids for dedicated key projects (continuing the position for 2006-08.) However, where a bidder considers a project as relevant for key workers they are asked to indicate the number of key workers who will be housed

(and this will be considered positively in assessment of the project - see 154 - 156 of the *Prospectus*.) The numbers provided will form the basis of targets set following bid assessment.

6. 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 para 161 of the *Prospectus*.

These are applied to the average grant per unit achieved in the region in the 2006-08 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 2008-11 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 2006-08 is made for the cost of achieving CSH in 2008-11. 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 2006-08 levels (and accounting for inflation.)

7. Do you have a target for the amount of resource to be held back for allocation through regular marketing engagement?

No. We've introduced RME in order to help us obtain value and to give better alignment with our partners business processes. We will therefore want to make use of this tool.

8. How will you consult local authorities for bids to the GS (AH) F?

There has been consultation with regional and local stakeholders prior to the announcement of the GS (AH) F, and the potential of the Fund has been welcomed. All bids for the GS (AH) F will be assessed by the Corporation's regional team for the host area, and the host Local Authority will be consulted on the bid (which will be flagged as a GS (AH) F bid).

9. How will you assess whether LCHO is affordable?

Specific actions to improve the affordability of each of the LCHO suite of products are described in section 4 of the Prospectus.

10. Is there a level playing field between RSLs and non-RSLs will respect to independent certification?

Yes, the requirement for an independent certifier will remain for non-RSLs. RSLs are required to have quality control arrangements in place to ensure that Housing Corporation standards have been achieved. Such arrangements are subject to

audit, via both mandatory external audit requirements which RSLs must ensure they undertake, and via compliance audits undertaken by the Housing Corporation.

11. How will you use the design and quality standards on schemes where the bidder is not in control of the planning process?

The D&QS applies to all schemes within the 2008-11 NAHP except where transitional arrangements apply. The Corporation does have some discretion to waive the CSH level 3(***) requirement in very limited circumstances in connection with Section 106 schemes. See 5.10 of the Q&As.

In addition Corporation regional offices have written to LA Housing and Planning departments encouraging the use of D&QS in connection with Section 106 conditions.

12. How will you issue additional information?

Additional information will be published from time to time on the NAHP 2008-11 website at www.housingcorp.gov.uk.

13. How do the Other Public Subsidy rules work in relation to discounted land for ALMOs?

The OPS rules in relation to discounted land are applied in the same way for all bidders. These have been revised and are described in the Capital Funding Guide. We recognise that these rules (and the treatment of ALMO borrowing) will tend to produce poorer results for ALMOs in the value for total public subsidy assessment. However, we will look on the provision of discounted land as an indicator of good local strategic fit, achieving equality across the assessment process as a whole. We believe there are many advantages to bringing ALMOs into the Programme and will ensure there are no artificial procedural barriers.