

**SUMMARY OF PRIORITIES FOR THE USE OF REGIONAL HOUSING POT
RESOURCES ALLOCATED TO THE NATIONAL AFFORDABLE HOUSING
PROGRAMME**

(As at 4th November 2005)

In this document we set out our key priorities for the allocation of resources in 2006/07, 2007/08 and any proposed pre-allocations for the three year period from 2008/09 to 2010/11, together with the key objectives, criteria and standards common to all the priorities. It reflects the national targets established for the Housing Corporation by the Government and the priorities for investment identified within the South West Regional Housing Strategy 2005-16

1 The scale and shape of the 2006/07 and 2007/08 programme.

i) The overall scale

The Regional Housing Board has agreed that increased resources made available to the region for 2006/08 are to be directed through the HC's AHP to provide additional affordable housing, subject only to allowing for £7m of planned investment for gypsies and travellers sites provision over the two year period. Therefore £274m of the regional housing pot has been earmarked for investment through the AHP over the two years covered by the bid round, and it is currently calculated that allowing for existing and projected commitments this will enable a minimum programme of £310m to be mounted.

It is proposed that current projections will be revisited following the mid-year review and allocation decisions under the NPIAH pilot programme to determine the guide overall new programme level for allocation purposes. The final level of programme allocated to will be subject to adjustment in the light of the forecast resource accounting liabilities emerging from the proposed programme, any agreed tolerance/overprogramming levels, and any decisions by local authorities to transfer SCE® funds to the HCs AHP.

However, for the purposes of the guidance on strategic priorities contained in this note it is assumed that an overall new programme of £310m will be mounted.

ii) The overall shape of the programme.

Summarised below is a current forecast of the overall shape of the projected programme of £310m. Given the significant need for rented accommodation in the region the RHB has determined that the majority of resources under the AHP will be directed to providing new social rented housing. Homeownership programmes are planned to be maintained at 2004/06 levels (£46m) with only an addition of £4m for Social Homebuy. (Decisions on allocations through the nationally co-ordinated Social Homebuy bid round will

determine whether this £4m figure increases or reduces which may release more resources for rent or other homeownership programmes dependent on demand/opportunity to increase these programmes). A works to RSLs stock programme of £6m has been maintained.

	2006 – 08 Total £m
Social Rent (including TSH and Intermediate rent)	254
All Homeownership (1)	50
WTRSLs	6
Total	<u>310</u>

- (1) The RHB has agreed that (excluding Social Homebuy estimated @ £4m) 67% - 75% of the Homeownership programme (£31m - £34m) will be delivered through New Build Homebuy and 25% - 33% (£12m - £15m) through Open Market Homebuy.

2 Key Objectives and Targets

i) Distribution between settlement types:

- Increased emphasis is to be given to ensuring that subsidy is directed to supporting major urban, growth and regeneration developments in the region, with a minimum of 60% of the programme (£186m) to be allocated to support schemes/programmes in the region's eleven Principle Urban Areas and their hinterlands, major sites linked to PUAs and the Camborne, Pool, Redruth URC.

A range of factors will influence the direction of these resources:

- Links between development proposals/areas for investment and the priorities for housing growth identified in the current and evolving future RSS, the Regional Economic Strategy and "The Way Ahead";
 - The role of housing proposals in delivering effective regeneration and neighbourhood renewal projects, such as those linked to NRF, NDC and URC programmes.
 - Opportunities to work with other public agencies such as English Partnerships and the SW RDA, and one-off opportunities presented by major sites to make a significant contribution to meeting the housing needs of the region.
- A minimum of 764 homes is to be delivered through schemes in small rural settlements of a population of 3,000 or less (estimated to require £35m of the total programme).

The balance of the programme, currently estimated at a maximum of £89m, is to be directed to intermediate settlements – ranging from larger county towns, through medium-sized market and coastal towns, to large villages. Allocation decisions will reflect the function of settlements and their relationship to the wider sub-region in which they are located. One emphasis will be on

investment in the region’s more sub-regionally significant settlements as identified through the RSS work on functionality of settlements.

ii) *Indicative Investment Ranges for thirteen Sub-Regions/Housing Market Areas*

The RHB has agreed Investment ranges for the 2006/08 programme across the thirteen sub-regions/housing market areas identified in the region. These investment ranges are set out below and allocations to schemes/programmes in the sub-region for the 2 year programme are expected to fall within the investment range proposed unless a strong case is demonstrated for proposals for lower or higher levels of investment.

2006/08 Indicative Investment Ranges

Sub-Regional Housing Market	2006/08 Investment Range
	£m
West Cornwall	19-23
Polycentric Devon & Cornwall	11-13
Plymouth	39-45
Torbay	9-13
Exeter	21-26
Taunton	8-12
Weymouth & Dorchester	8-12
Bournemouth/Poole	38-45
South Somerset & West Dorset	5-7
Salisbury	5-7
West of England	70-83
Swindon	21-26
Gloucester & Cheltenham	23-27
Total	<u>277-339</u>

iii) *Supporting particular groups of people:*

Homeless people

- £254m is to be allocated to provide a target of c 5,800 additional social rented homes (including zero grant) or approximately 70% of the SW AHP’s total homes with a priority of supporting schemes meeting the needs of homeless people and reducing the use of temporary accommodation.

First-time buyers

A total programme in the region of £50m is to be allocated made up of the following:

	£m
Social Homebuy	4
New Build Homebuy	31-34 (67%-75%)
Open Market Homebuy	12-15 (25%-33%)

- A target of c 2,500 homes (including zero grant) or 30% of the SW AHP's total homes.
- New Build and Open Market Homebuy to be targeted at:
 - Existing tenants of social-rented accommodation
 - Households on LA's waiting lists (including those at risk of Homelessness and those in Temporary Accommodation)
 - Key public sector works (see below)
 - Other first-time buyers
- Zone Agents will be given an indicative target of a minimum of 15% of the Homebuy Programme in each Zone for each of the above groups, subject to review by the Housing Corporation and Zone Agents in the light of variations in demand levels across the zones.

Key workers

- AHP resources are to be allocated to assist key public sector workers as part of the overall programme, not an explicit separate top-sliced programme.
- Key public sector workers are defined as any public sector employee delivering an essential public service. Provided that clear and specific evidence is produced from employers in that market area that they are experiencing real recruitment and retention difficulties (for these job-types) at least some of which can be attributed to local house prices.
- Where other qualifications for eligibility are equal, priority should be given to applicant Keyworkers where their employer provides active support to supplement the cost of provision.

People needing additional care and support

- No specific capital investment target has been set for supported housing investment. However, the RHS emphasises the importance of supported housing provision given continuing significant demand across a range of client groups. We will therefore continue to give a high priority to supporting well developed proposals for the provision of new supported

housing or its renovation/remodelling in line with the criteria set out below.

- Capital funding to be provided for supported housing (including housing for older people) where identified as a priority by administering authorities for Supporting People in their strategies, the scheme is capable of conversion to an alternative use without significant additional capital expenditure and the bidder has the capacity to exit from the scheme within its business plan without putting its viability at risk. Providers are to demonstrate that they have an exit strategy for the accommodation should priorities change. Emphasis is to be given to the provision of move-on accommodation and LAs asked to consider the need for move-on lettings in all social housing. Homeownership options to meet the needs of those requiring support are also to be supported.
- Repair/remodelling of existing supported and older persons housing is to be a priority for WTRSLs investment

BME Households

- A regional average of 6% of new lettings arising from the AHP programme to be to the BME population. Local Authorities and providers to ensure that appropriate lettings are made available for locally identified BME need.
- It is anticipated that the majority (but not exclusively) of BME allocations will be focused on Bristol where a high proportion of the region's BME communities are located.
- In line with national guidelines it is expected that bidders planning schemes in areas with significant BME communities will have developed initiatives to work with and through BME Associations as appropriate.
- It is expected that the tenure balance, mix and size of properties and design of schemes will be appropriate to the identified needs of the community, and that schemes have been put forward in the context of local BME strategies.

iv) Tenure balance

The RHS has a tenure target for our AHP of 70% social rent/30% low cost home ownership, spread evenly across the region; it also has a broad target to produce and sustain communities "with a well-integrated mix of decent homes to support a range of household sizes, ages and incomes".

Accordingly, for proposals-for-grant funding of 15 homes or more, we will give preference to those where the proportion of social renting is between 60% and 80%. Proposals with social rent proportions outside these figures will be given lower preference.

This judgment may be modified if a local authority, applying its local housing strategy or development framework, makes representations that a particular scheme should be treated differently.

v) *Housing Mix*

The RHS has a broad target of achieving “a well-integrated mix of decent homes to support a range of household sizes” The RHS also prioritises tackling homelessness, a major component of which is families.

To ensure that a sufficient proportion of family-sized accommodation is produced the following ranking of average dwelling sizes for the social rented element of schemes will apply:

> 3.5 average people per household	A
2.5 – 3.4 “ “ “ “	B
< 2.5 “ “ “ “	C

These rankings will not apply to supported housing schemes, and may be overridden where housing mix has been determined to reflect the specific requirements of a local strategy for the development proposal.

vi) *Sustainable development, environmental standards and use of brownfield land:*

- At least 50% of all new subsidised additions to the regions stock of affordable housing is to be delivered on previously developed land, or through the conversion of non-residential buildings.
- The achievement of ‘very good’ eco-homes standards for all subsidised developments from 2006/07 (subject to nationally agreed exceptions/variants to its requirement such as for rehabilitation developments and home ownership products).
- New public investment in major developments to be conditional on schemes adopting the principles of the Urban Design Compendium.
- Support for the principles of Secured by Design and Lifetime Homes in new social sector stock.
- A target of delivering a minimum of 35% of all new affordable homes funded under the 2006/08 AHP through MMC.

vii) *More efficient use of current stock*

- Invest in programmes addressing long-term empty-properties as part of well developed empty homes strategies, including proposals for commercial to residential conversion.

- £6m to be invested under the WTRSLs programmes to support:
 - in exceptional circumstances, the achievement of the Decent Homes standard;
 - the repair/remodelling of older persons and supported housing stock;
 - stock transfer to B&ME Associations;
 - community regeneration programme (eg St Pauls, Bristol); and
 - Aids and Adaptations. (£250k)

This resource does not have a geographic focus and will primarily be directed to specialist providers of supported housing and for those smaller RSLs unable to meet the decent homes standard for sustainable stock without some support. In line with national guidance bidders will need to explain why proposals cannot be funded through their Business Plan and checks will be made with Financial Appraisal re: the capacity of organisations for self funding. Innovation and Development staff will lead in the assessment of bids including prioritisation in terms of the above criteria and the importance/urgency of works proposed.