



6 September 2007

Dear colleague,

National Affordable Housing Programme 2008-11

This week the Corporation published its Prospectus for the 2008-11 National Affordable Housing Programme, launching a programme which seeks to deliver on the Government's recent housing green paper, *Homes for the future: more affordable, more sustainable*. The Green Paper set out with clarity an ambition to meet the country's need for social rented homes, to tackle housing affordability and to support quality and sustainability. As Simon Milton made clear in his inaugural speech as LGA Chairman, this ambition is shared by leaders in local government. In the next three years the supply of new social rented homes will rise by 50%, to at least 45,000 in 2010/11. In each of those three years Government will also help fund 25,000 affordable homes for buyers in need of assistance; whilst it is seeking to bring about an increase in the overall supply of new homes, to 240,000 by 2016, to tackle affordability over the longer term. And across those three years, from 2008/09 to 2010/11, at least £8 billion will be invested through the Housing Corporation, and subsequently the new homes agency, to deliver these new social rented homes and the bulk of the affordable homeownership housing.

Councils, as Local Planning Authorities, as strategic housing enablers and as potential developers are enormously important to the delivery of new affordable homes and sustainable communities through this investment. Over the past year the Housing Corporation, the Local Government Association and councils have worked together to deliver on the promise of a strategic partnerships for affordable housing delivery. In particular we agreed a protocol between the Corporation and LGA, and with individual authorities in a number of areas across England. In London we are working on a protocol with London councils and the five sub-regions.

We will continue to work together through 2008-11 to achieve a step change in affordable housing in a number of ways:

- *Homes for the future* notes that the Government will provide new opportunities for councils to build and manage new homes, including through access to the National Affordable Housing Programme. We are delighted that pre-qualified ALMOs and council special purpose vehicles are part of the NAHP for the first time and that there will be a further pre-qualification opportunity in 2008-9.
- As Planning Authorities and as land owners, councils can have a major influence on the supply of land for affordable housing, not only in the long term but during delivery of the NAHP 2008-11. Where councils hold surplus land, they have the option, depending on their other pressures and priorities, of making it available at a price below full market



value, as part of a strategic approach that recognises how local actions can help meet priorities for new affordable housing. The Corporation will also be looking to other delivery partners to develop partnerships with councils which can unlock all partners' assets to the maximum extent possible. Within the Corporation's assessment process the provision of land at a discount, where the council is able to do this, will be taken as one type of clear evidence of a good fit with local priorities, particularly on large schemes or regeneration projects.

- The role of the Local Planning Authority in achieving better value through the planning system is critically important. This is discussed in the prospectus and we attach a short note which sets out the key issues.
- The place of council strategies, and our dialogue with councils, will feature as part of the Corporation's bids assessment process. The Prospectus includes a pro forma which we will include for collecting council views as part of the bidding process.

The ambitions set out by Simon Milton on behalf of the sector, and in the Green Paper, are a big challenge for everyone involved in the delivery of affordable housing. The next three years will see a £3 billion increase in levels of investment. But the National Affordable Housing Programme is never just about outputs; it's about great homes as the bricks and mortar for great places and great communities. The relationship between the Corporation and councils has always been crucial in delivering high quality affordable housing that helps to create sustainable communities. We hope that over the next three years we can use the effective partnerships that we have to deliver for our communities.

Yours sincerely,



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Housing Corporation



Paul Coen
Local Government Association