

BUILDING NEW COMMUNITIES

HOUSING CORPORATION



WHAT WE EXPECT FROM OUR FUNDING



Introduction

The Housing Corporation invests in affordable homes to create strong communities. Our National Investment Strategy describes in detail the national framework for allocating resources through the Approved Development Programme and other programmes in support of this objective.

We strive to ensure that homes provided by housing associations are good quality, well managed and well maintained, and that they meet the range and diversity of people's needs to help create, revitalise and maintain safe and sustainable communities.

Our programmes provide funding for a range of housing including:

- Rent (permanent properties for housing associations to rent to tenants)
- Temporary social housing (acquired on leases between two and 30 years)
- Homebuy (the tenant purchases 75% of the property and the housing association gives a loan for the remainder)
- Voluntary Purchase Grant (enabling tenants to buy their properties)
- Sale (including shared ownership)
- Keyworker housing (a range of programmes – including properties let at sub market rents – focused on public sector employees)
- Works to improve properties owned by housing associations.

Our overall approach can be classified under the following headings:

MODERN

by encouraging the best use of modern manufacturing techniques in the construction of new homes, and utilising modern information systems to manage our investment programmes

ECONOMIC

ensuring best value by utilising the least amount of overall public resource

FOCUSED

on meeting need in alignment with central, regional and local priorities while recognising that tenants and others will be the ultimate consumers

HIGH QUALITY

in ensuring that new developments meet high design standards and are constructed in a sustainable way

EFFICIENT AND EFFECTIVE

in meeting agreed targets, and in our dealings with others.

Modern

Modern Methods of Construction is a broad category encompassing a variety of approaches including Offsite Manufacture. They are a means through which good quality housing can be procured consistently through the greater use of standard components, layouts and manufacturing systems. We are working to a target that at least 25% of the homes we fund in 2004/06 will be built using MMC.

Design

An emphasis on good design as a route to quality will be increasingly pursued by the Corporation over the coming years. The best elements of design regardless of tenure or sector should increasingly merge. We expect all larger housing associations to appoint a design champion to advocate on design issues within the organisation and we are working with CABE on a training programme for associations.

Rethinking Construction

As part of our support for the Rethinking Construction agenda we require associations carrying out significant construction works programmes to achieve either Client Charter Status or Mini Charter Status (dependent upon the value).

Investment management systems

We are seeking to ensure that the ways in which we work take advantage of modern methods including the use of internet technology. All bids for funding are submitted to us electronically, resulting in a huge reduction in paper handling and allowing for a number of checks on the data to be carried out automatically. The systems also allow for funded schemes to be monitored electronically and for grant claims to be submitted and paid electronically.



Economic



Value for money

The comparative cost between bids for funding (with an emphasis on the public subsidy requirement) will remain one important consideration in determining which bids we will support, alongside other important considerations such as quality.

Whole life costing

Value for money assessments should be undertaken in light of whole life costs rather than simply considering the initial capital outlay. In order to emphasise this, housing associations bidding for our investment have to indicate how their bid compares against a norm level. The current norm is that the Net Present Value of maintenance costs as a percentage of capital costs equates at 85%.



Focused

Regional Housing Boards

Our investment priorities are set strategically by the Office of the Deputy Prime Minister following advice from Regional Housing Boards as to the spatial and other priorities which are major concerns in their regions.

Regional Housing Boards include representation from the Corporation, Government Offices, the Regional Development Agency, English Partnerships and the Regional Assembly and seek to achieve a common approach across all regional strategies and funding mechanisms.

Meeting targets

We agree a set of annual targets with Government covering, for example, the number of new homes that will be completed, the number of allocations to new homes in rural areas, etc. In order to achieve these targets we manage and adjust regionally based programs on a national basis.

Impact assessments

To ensure that a particular development has met the wider objectives outlined in the initial bid to us we have introduced a system of impact assessments that evaluates a sample of schemes. We use the outcomes to inform future decisions and to promote good practice.

Innovation and Good Practice and Community Training and Enabling

We encourage innovation and good practice in housing associations through our Innovation and Good Practice grant programme (IGP) which provides funding to support projects providing long-term benefits to housing associations and their residents. We have several broad themes for the type of project we support under the programme, including sustainability, housing strategy development and organisational effectiveness. Through this funding we are also able to assist housing associations which have innovative approaches to consulting and involving potential residents. Project findings, along with the results of our research programme, inform our policy development and promote good practice among associations.



High quality

The quality of new homes produced through our investment is one of the highest concerns to us. Quality is not just about the standard of construction or the 'finish', where we will continue to apply a broad fit for purpose test, but is also about the environment within which new homes are situated and their long term sustainability. These principles are reflected through Scheme Development Standards.

Scheme Development Standards

This covers our fit for purpose tests and is the prime document that sets out our requirements and recommendations for all housing projects we fund. It includes a series of prompts to ensure that housing associations consider design, policy and procedural issues together with a number of compliance tests. The standards cover the external and internal environment, accessibility, safety and security, energy efficiency, environmental sustainability, noise abatement, maintainability, durability and adaptability.

Eco Homes

This is included as part of our SDS requirements, where we require a minimum standard of 'pass', ('good' from April 2005), and recommend that housing associations work to a higher level. Our requirements in this regard are linked to our Sustainable Development Strategy.

Housing Quality Indicators

The HQI system is a measurement and assessment tool designed to allow potential new and existing housing schemes to be evaluated on the basis of quality rather than simply cost. The system covers location, design and performance and will increasingly become the method by which we assess the quality of individual schemes. The use of HQIs is mandatory for all new schemes.

Sustainable housing

We have sponsored a number of tools to help associations develop sustainable housing, including the Toolkit of Indicators for Sustainable Communities (the 'Sustainability Toolkit') which gives guidance on how to assess the sustainability of communities.

Efficient and effective

Secured by Design

This is a set of recommendations from the Police-supported Secured by Design Company, setting out features of design that can be utilised to make an area less 'attractive' to criminals. Our Scheme Development Standards recommend Secured by Design certification.

To achieve a rounded view of the many factors that can influence quality, housing associations are also required to consider the use of Lifetime Homes, Adaptable Roof Spaces, the use of the Considerate Contractors Scheme, the Construction Skills Certification Scheme, the use of the Urban Design Compendium, and the CABE Enabling service. Full details of the website addresses for these initiatives are available in the Scheme Development Standards.

Compliance audit

In order to test the extent to which associations are meeting these requirements, a series of compliance audits is in place. The tests, (other than for associations funded through the partnering route, where compliance testing forms part of auditing procedures), is generally carried out by Corporation staff and the outcomes reported to associations confidentially.

Partnering approach

For 2004/05 and 2005/06 we have introduced a Partnering Programme route for associations in addition to the routes normally available. The intention is to provide a number of benefits including fewer defects, less time on-site, improved working conditions, increasing the use of innovative opportunities and providing for closer working across the supply chain.

Standard house plan accreditation

We are working with a number of national house builders and constructors to 'accredit' a number of standard house types/internal layouts as meeting particular aspects of our Scheme Development Standards. The use of accredited layouts will reduce subsequent compliance audit checks at a later stage in the development process.

Housing Corporation Assessments

We publish our assessment of every developing association's performance.

More information can be found on our website:

www.housingcorp.gov.uk

For further copies of this publication please call 0845 230 7000 or e-mail enquiries@housingcorp.gov.uk. We can also provide versions in other languages, large print and audio cassette on request.