Affordable Homes Programme 2021 to 2026

New Homes being constructed by Catalyst Housing Association in Kensington, London.

September 2020

Introduction

The Ministry for Housing, Communities & Local Government announced the Affordable Homes Programme for 2021 to 2026 on 8th September 2020. This was followed by Homes England issuing their prospectus on 10th September 2020. This programme will replace the current programme for 2016 to 2021 in April 2021 in England outside Greater London. In Greater London, a different programme is administered by the Greater London Authority.

Affordable housing, as defined by the National Planning Policy Framework, is housing for sale or rent for those whose needs are not met by the market. The provision of affordable housing has been a key element of successive Government's plans to end the housing crisis, tackle homelessness and provide aspiring homeowners with a step onto the housing ladder. However, during recent years the emphasis has shifted from supporting homes for social rent, to supporting homes for 'affordable rent' to supporting people into home ownership.

The Affordable Homes Programme provides grant funding to support the capital costs of developing affordable housing for rent or sale.

The £12.2 billion overall investment in affordable housing was confirmed at Budget, which also includes £700million on new homes through the 2016 to 2022 programme. A new £11.5billion Affordable Homes Programme will be delivered over five years from 2021 to 2026, providing up to 180,000 new homes across the country, should economic conditions allow. New homes will be made available from next year. The government calculates that the programme will unlock a further £38billion in public and private investment in affordable housing. The use of the phrase 'should economic conditions allow' appears to acknowledge that the 180,000 new homes may not be delivered because of the combination of coronavirus and Brexit.

As the Government's housing accelerator for England outside London, Homes England will make available £7.4billion from April 2021 to deliver up to 130,000 affordable homes by March 2026. This is over £2billion more than the amount given under the previous Affordable Homes Programme. The Greater London Authority has been offered £4billion. This represents a significant reduction in the budget for London and a significant increase in the budget outside London that the government states reflect its 'levelling up' agenda.

Robert Jenrick, the Secretary of State for Housing, Communities & Local Government, said that:

"Today's announcement represents the highest single funding commitment to affordable housing in a decade and is part of our comprehensive plans to build back better. This government is helping hard-working families and prospective first-time buyers get their feet on the housing ladder in an affordable way. Thanks to the range of flexible ownership options being made available, more families across the country will be able to realise their dreams of owning their own home, with half of these homes being made available for ownership."

Nick Walkley, Chief Executive of Homes England, said that:

"We welcome the launch of the new Affordable Homes fund, which gives Homes England a unique opportunity to work on behalf of the government to accelerate the delivery of high-quality, affordable homes. The fund will support improved productivity in construction and unlock new economic opportunities across the country. Despite the challenges of COVID-19, this long-term funding settlement gives our partners the confidence they need to invest in new homes and the communities they work for."

Homes England is committed to working closely with a diverse range of partners – both existing and those they have not previously worked with – to maximise the impact of this funding. In return, they expect partners to share the ambitions set out in their strategic plan to create a more resilient and diverse housing market. This means partners will also be expected to focus on promoting significant use of Modern Methods of Construction (MMC), high-quality sustainable design and working closely with local SME housebuilders.

Analysis by the Greater London Authority and the G15 found that London needs 22,750 social rented homes a year, 6,500 for shared ownership and 3,250 for intermediate rent. There are currently around 243,000 households on waiting lists for social housing in London, accounting for around two-thirds of homelessness in England. In their response to the announcement the Greater London Authority said that their research has found that London needs £4.9billion every year to deliver the quantity and range of affordable dwellings needed, far more than the £0.8billion a year that has been offered, and confirmed that:

"The Mayor's team are continuing negotiations with the government to seek to ensure that our city has the tools and resources it needs to build the affordable homes Londoners deserve as we recover from the pandemic."

Scope of the Programme

The funding is for the supply of new build affordable housing. Half is allocated to support homes for rent and half is allocated to support home ownership. Homes England data shows that between 2016 and 2019, 44% of grant-funded homes were for affordable homeownership, compared to 56% for rented tenures. The government is therefore increasing still further the priority that it gives to home ownership at the expense of the programme for affordable rented homes.

Homes for rent can be for social rent or affordable rent:

- Homes for Social Rent are let at below market rent by a Registered Provider. The rent level is calculated according to a formula based on property values and local earnings. This is set out in the Regulator of Social Housing's Rent Standard. This the level of rent at which council homes and housing association homes have traditionally been let and is usually at about 60% of market rents. Social Rent homes can be funded within areas of high affordability challenge, or elsewhere provided that the grant requested is not higher than it would be for Affordable Rent.
- Homes for Affordable Rent are let at below market rent by a Registered Provider. The rent (including service charge) is set at up to 80% of the local market rent for an equivalent home. This used to be called 'intermediate rent', is usually higher than social rent and was originally devised as a form of tenure for working people with low incomes in high value areas. It has been promoted by the government since 2010 because the higher rents enable development at lower levels of grant meaning that more new homes can be supported by a limited budget.

Outside of areas with a high affordability challenge (mainly in the southeast and east of England), grant will not be provided for social housing unless it is at the level that would be required for affordable housing. Given that affordable rents are higher than social rents in almost all areas (the exceptions being those with very low property values) it is unlikely that many situations will arise where social homes will be supported outside of the areas of high affordability challenge. This has caused considerable disappointment in areas with low property values, especially in the north of England.

The number of social homes envisaged in the Affordable Housing Programme falls well short of the 90,000 social rent homes a year called for by the Conservative-controlled Housing, Communities and Local Government Parliamentary Select Committee in July 2020.

The new Shared Ownership model is designed to:

- Allow a customer to purchase a share of a home and pay rent on the remaining share.
- Reduce the minimum initial share a person can buy in a property from 25% to 10%.
- Allow people to buy additional shares in their home in 1% instalments, with heavily reduced fees
- Introduce a ten-year period for new shared owners where the landlord will cover the cost of any repairs and maintenance

A Right to Shared Ownership will be available on most rented homes delivered through the new programme, providing tenants with a pathway into ownership by giving them the right to purchase a stake in their home. Further information on shared ownership is provided below.

Several other schemes for home ownership will be supported by the programme:

- Home Ownership for people with Long term Disabilities (HOLD) - Shared Ownership purchase of a home on the open market for people with a long-term disability who are unable to find a new build home which meets their specific needs.

- Older persons Shared Ownership (OPSO) - Shared Ownership available to over-55s. Ownership is capped at 75% of the value of the home. Once this cap is reached, no rent is payable on the remaining share.
- Rent to Buy homes are let to working households at a lower cost to give them the opportunity to save for a deposit to buy their first home. The rent (including service charge) is set at or below 80% of the market rent for an equivalent home for at least five years to allow a tenant to save for a deposit or purchase sooner via Shared Ownership.

In June 2020, Robert Jenrick announced that the affordable housing programme would also fund a 1,500-home pilot of First Homes – the government's latest homeownership product that will see homes sold to first-time buyers at 30% discounts – but no further detail has been issued about this scheme yet.

This funding is intended to support the development of:
- Supported Housing (10% of homes delivered) - any housing scheme where accommodation is provided alongside care, support, or supervision to help people live as independently as possible in the community. Supported housing can be developed both through new build and repurposing / improvement of existing homes.
- Rural Housing (10% of homes delivered) - housing delivered in settlements with a population fewer than 3,000.
- Traveller pitches - funding to develop new sites and to add new pitches onto existing sites, to help meet the accommodation needs of traveller communities.
- Empty homes - affordable homes can also be created by bringing existing empty homes back into use.

The funding does not provide grant for:
- Regeneration – the replacement of homes demolished through regeneration work is not eligible for funding.
- Section 106 - the purchase of homes built under Section 106 agreements, where the affordable homes are secured through developer contributions is not funded.
- Major Repairs – works to ensure homes are habitable are not eligible for funding as this is the responsibility of the provider. However, funding may be awarded in exceptional circumstances, in the case of alms houses for example, where the charity isn't able to cover the cost of works itself.

The Right to Shared Ownership (RTSO) will apply to all grant funded, rented homes, with some specific exemptions on types of home and for certain providers. Exemptions may also be given if there are clear business reasons for the provider not to sell, for example if the market value is lower than the cost of developing the home (including financing costs).

The funding also supports wider strategic objectives, including:
- Placing significant focus on and investment in Modern Methods of Construction.
- Encouraging uptake of the National Design Guide that is part of the government's collection of planning practice guidance within the National Planning Policy Framework.
- Improving the energy efficiency and sustainability of new affordable housing supply.
- Encouraging the use of SME contractors.

To allow for this, some of these elements are included in the assessment criteria for funding applications, and others are included in the standard conditions of funding.

Shared Ownership

The new model of Shared Ownership will be implemented on all new build Shared Ownership homes delivered through the new Affordable Homes Programme. The government will be publishing a further technical consultation on the implementation of the new model in due course.

Most rented homes built using the Affordable Housing Programme will have the Right to Shared Ownership attached. The Right to Shared Ownership will give many social housing tenants the opportunity to purchase a stake in their home and take their first step into home ownership. However, the following categories of property will be exempted:

- Council homes
- Homes in designated protected areas and rural exemption sites
- Supported housing
- Alms houses
- Homes where the landlord is a co-operative housing association
- Homes where the landlord or freeholder is a Community Land Trust

Eligibility criteria for the Right to Shared Ownership include:

- Being a social tenant for at least three years and having lived in the current property for at least one year.
- Not being subject to bankruptcy proceedings.
- Demonstrating that you can afford and sustain homeownership. All prospective purchasers will need to undertake an affordability assessment having an annual household income of £80,000 or less (£90,000 in London)

Housing associations have already expressed concern about what the proposals could mean for the longevity of social housing stock. There are concerns about what impact converting rented stock that provides housing associations with a regular stream of income and provides certainty to lenders, would have on organisations' existing loan deals and ability to borrow. Many developments rely on cross-subsidising social and affordable housing from surpluses on shared ownership sales and this may be jeopardised. Lawyers have also questioned whether mortgage lenders would be interested. Shared ownership products are also more viable in high value, high income areas meaning that it is likely that most of the programme will be spent in the southern and eastern regions. Some commentators have questioned whether supporting people with incomes of up to £90,000 a year into home ownership should be a priority for the Affordable Homes Programme. 'Inside Housing' has said that:

"This could be a potential watershed moment for the housing association sector."

Range of Providers

Currently most affordable housing is built by housing associations, but the government would like to provide funding to what they call 'untapped parts of the market'. Homes England welcomes proposals from existing and new partners – housing associations, local authorities, developers, for-profit providers, community-led organisations, and others who have an ambition to develop affordable homes – including those they have not previously worked with.

Applications can be made for funding as an individual organisation or as part of a partnership or consortium.

To receive grant funding, an organisation needs to be a qualified Investment Partner of Homes England or be working with an organisation that is. In a consortium, only the lead organisation needs Investment Partner status, unless other partners also intend to apply for funding on their own. Investment Partner status confirms that organisations have the financial and technical capacity to deliver their proposed scheme, and that they have financial and legal good standing.

An organisation does not need to be an Investment Partner to bid, but it must have gained Investment Partner status before grant payments can be made. Existing Investment Partners do not need to reapply for qualification for the 2021 to 2026 funding.

Partners who will be landlords of homes built with the funding for Social or Affordable Rent and Rent to Buy are required by law to be registered with the Regulator of Social Housing as a Registered Provider. This requirement does not apply to homes for Shared Ownership.

Funding Routes

There are two routes to access funding:

- Scheme by scheme bidding through continuous market engagement.
- A multi-year Strategic Partnership to access grant for a longer-term development programme.

Continuous market engagement provides access to grant throughout the duration of the programme, while funding remains available. This route allows providers to apply for funding for individual schemes. All schemes funded through continuous market engagement must have started on site by 30th September 2025 and be completed by 31st March 2026.

Strategic Partnerships are a range of tailored, longer-term deals for organisations that have the ambition, capacity, and successful track record of delivering large numbers of new homes at significant pace. This route gives partners the certainty of agreed funding for the duration of the deal, with greater flexibility to deliver within agreed parameters on location and tenure. Strategic Partnerships provide access to bespoke support across the agency. In return, Homes England expects Strategic Partners to commit to more focus on strategic objectives, including the adoption of at least 25% MMC within their development programme and use of their expertise to help build capacity for development within the sector. All schemes funded through Strategic Partnerships must start on site by 31st March 2026 and be completed by 31st March 2028 with focus on ambitious levels of delivery in the first five years.

Homes England is committed to working with a diverse range of partners to establish bespoke partnering arrangements best suited to their needs and capacity. They will do this through engagement and discussions with existing and potential partners across the sector following the funding launch.

In September 2018, an additional £1billion of funding was announced to extend existing Strategic Partnerships. This is now included within the Affordable Homes Programme.

Funding Arrangements

Applications through continuous market engagement will stay open while funding remains available. These applications are assessed on their individual merits. Information required for an application covers applicant and scheme details. Applications are assessed against the following criteria:

- Cost minimisation - the primary assessment metric is grant per home. This is benchmarked against national, local and scheme type averages to ensure bids are competitive on both costs and outputs.

- Deliverability - to ensure the scheme can be delivered within the funding timeframe, deliverability will take account of the level of planning, land ownership and progress on contracting at the point of bidding. Homes England will consider past performance for current partners and forecasts from comparable schemes for new partners. Bids will be tested on how they are supporting local authorities in meeting local housing needs.

Homes England will also consider how schemes demonstrate alignment with the strategic objectives (use of MMC, use of the National Design Guide, working with local SME contractors and provision of rural housing and supported housing).

Applications for Strategic Partnerships will be made through a competitive process and fixed bidding period. These will be assessed, scored, and ranked to determine the successful applications. They will be assessed against the following criteria:

- Value for money
  - Scoring uses a benefit-cost ratio, compliant with the Ministry for Housing, Communities & Local Government Appraisal Guide 2016 and HM Treasury Green Book 2018. The ratio weighs the economic benefit of grant funding against the economic cost. The higher the benefits relative to costs, the higher the benefit-cost ratio score.
- Strategic priorities
  - Use of Modern Methods of Construction, use of the National Design Guide, working with local Small to Medium Enterprise contractors, and provision of rural housing.
  - Supported housing.
- Home Ownership
  - Applications that contribute to the Government's ambition to increase access to home ownership will be prioritised in line with the objectives in relation to tenure balance.
- Deliverability
  - An assessment of how deliverable the proposal is will be combined with the overall assessment to determine the final score.

There will be a period of stakeholder engagement following the launch of the funding. Homes England will use this to develop its understanding of how it can most effectively support partners and its expectations around the size and scale of Strategic Partnership proposals.

If a funding application is approved, the organisation will need to meet certain requirements before it can receive affordable housing grant.

- The application to become an Investment Partner must be made and approved before any payments are made. This may involve some level of Know Your Customer due diligence checks.
- If applicable, the application to become a Registered Provider with the Regulator of Social Housing must be approved.
- Organisations will be required to enter into a new supply agreement with Homes England.

Following the execution of the contract, Homes England will pay out grant as follows:

- For scheme by scheme continuous market engagement bids: grant will be paid against the achievement of delivery milestones – 40% on site acquisition, 35% on start on site and 25% on practical completion. For some eligible providers, it may be possible to claim up to 95% of payment at start on site.
- For Strategic Partnerships: grant will be paid on a quarterly basis against relevant capital development expenditure. The contract will specify the agreed schedule for drawdown of grant.

- For organisations that are not Registered Providers (referred to as Unregistered Bodies): Homes England will carry out due diligence checks on viability (including long term if it intends to retain an interest in the homes). They will be paid 100% of the agreed funding at practical completion of the scheme. Earlier payment may be possible if satisfactory forms of security are available.

All partners will be required to report on delivery at regular intervals. This will include data and metrics relating to the strategic priorities of the Affordable Homes Programme.

Homes England carries out an annual procedural compliance audit on a sample of schemes to ensure requirements have been met.

Homes England publishes information relating to the costs and expenditure of schemes funded through the Affordable Homes Programme. As a condition of funding, there are contractual obligations for partners around sharing and publishing of this information. Partners that are awarded funding of more than £3million also need to publish details of expenditure over £500 relating to their development schemes every quarter that Homes England may also publish. Partners are required to supply information about development costs and agree that Homes England can verify this on an 'open book' basis at any stage.

Regulatory Requirements

The Regulator of Social Housing will provide advice to Homes England on whether any proposal to award grant to a Registered Provider will have an adverse impact on the Regulator's published judgement on the organisation's governance and financial viability rating. Registered Providers may be asked to provide additional information to the Regulator to inform the assessment, as necessary.

Elderly and Disabled Residents

Additionally, the Housing Secretary has launched a consultation to consider how best to raise accessibility standards for all new homes in recognition of the importance of suitable homes for older and disabled people.

The existing minimum standard for accessible housing in England requires four main criteria that make it accessible for most people, including wheelchair users: level access to the main entrance, a flush threshold, sufficiently wide doorways and circulation space, and a toilet at entrance level.

This applies as the minimum for all new build homes. Additionally, where there is a material alteration to a building's access, the building cannot be made less compliant than it was.

The government is consulting on views on how to raise accessible housing standards further, including the option to raise this minimum standard for all new homes. A higher minimum standard would require additional features including having a living area at entrance level and step-free access to all entrance level rooms and facilities, wider doorways, and corridors as well as clear access routes to reach windows.

It would also include further features to make homes more easily adaptable over time to a wide range of occupants, including older people, those with reduced mobility and some wheelchair users, for example sanitary provisions that can be adapted easily for installation of grab rails and stairs designed to allow easy fit of a stair lift.

Timetable

The timetable is as follows:
- Launch – 10th September 2020
- Stakeholder engagement – September – November 2020
- Continuous market engagement applications invited – anticipated before the end of 2020
- Strategic Partnership proposals invited – anticipated by the start of 2021

The Response of the Sector

David Renard, Housing spokesperson at the Local Government Association told 'Inside Housing' that:

"It is good the Government has acted on our call to bring forward the Affordable Homes Programme. It is also positive that the Government is consulting on how homes can be made more accessible for older and disabled people. With more than one million households on council housing waiting lists, it is vital that we build more housing for social rent, and we look forward to seeing more clarity around how this will be delivered. This is why we are calling for councils to be given the powers and tools to deliver a programme of 100,000 social homes a year, which would not only meet a third of the government's housing target, but reduce homelessness, get rough sleepers off the streets and support people's wellbeing. This includes reforming Right to Buy and allowing councils to keep receipts in full and set discounts locally. In addition, we would like to see the programme go further and allow councils to combine Right to Buy receipts with funding from the programme to deliver more housing."

Cllr. Darren Rodwell (Labour), Executive Member for Housing and Planning at London Councils and Leader of Barking & Dagenham Borough Council said that:

"While this is a significant national funding package, it is disappointing that the government plans to reduce the proportion of investment going towards much-needed new affordable housing in London… This risks leaving us without enough funding to deal with the severe pressures we face… We will keep urging ministers to do more to bring about a new generation of council housing."

Gavin Smart, Chief Executive of the Chartered Institute of Housing said that:

"Today's announcement on the Affordable Homes Programme brings much needed certainty and will enable housing associations, local authorities and ALMOs to make investment decisions and keep the supply of desperately needed new affordable homes going. We are keen to see the detail… though we already have questions over the balance of the programme. Whilst investment in lower-cost home-ownership is a legitimate government ambition it must not come at the expense of providing social rented homes, across the country, for those that need them the most.

"Our analysis shows that government's investment in housing is already disproportionately stacked in favour of home ownership and while we need more homes of all kinds, we particularly need homes at lower 'social' rents. There is a strong economic case for government to invest in this area as part of post-pandemic package to kick-start the economy and put homes at the heart of recovery.

"It is encouraging to see that providers across the country will be able to access funding for social rent, not just areas of high-demand, though the higher levels of subsidy required to deliver social rent will need to be made available to make this viable."

John Perry, Policy Advisor at the Chartered Institute of Housing, said that:

"The funding for rented provision is duly squeezed, and, given that grant levels for social rent are to be no higher than for affordable rent, this will make it harder to fund homes accessible to tenants on the lowest incomes. There will also be no grant for homes replaced in schemes to regenerate existing estates. Furthermore, the stronger emphasis on promoting homeownership in the Affordable Housing Programme sits alongside the even bigger sums that continue to be invested in private housing through Help to Buy, the Home Building Fund, and a whole range of other initiatives. If government investment was distorted in favour of homeownership before, the latest changes only make the imbalance even worse."

James Prestwich, Director of Policy and External Affairs at the Chartered Institute of Housing said that:

"The Chartered Institute of Housing has called for shared ownership to be seen as an important fourth tenure option, enabling people on lower incomes to access home ownership. Decreasing the initial share purchase to 10% will increase affordability though we have argued that people require very clear and transparent information to assess whether low cost home ownership is the right option for them.

"The flexibility to staircase in 1% increments will be attractive in high value areas, but may not be so necessary in areas of lower value. It is important to remember that one of the benefits of shared ownership is the additional control and security it can provide over other housing options such as private renting, even when householders are not able to staircase to full ownership.

"Shifting the full responsibility for and cost of repairs and maintenance onto the provider for the first ten years will increase affordability and may increase the number of lenders prepared to offer mortgages for it. However, it will impact on providers' business plans due to the increased costs, potentially decreasing their appetite for and ability to develop shared ownership in greater numbers. Lenders to the providers may also reduce their investment due to the need to factor what could be significant additional costs."

Kate Henderson, Chief Executive of the National Housing Federation, told 'Inside Housing' that:

"Putting social and affordable rent on an equal footing with affordable homeownership is particularly positive; meaning we can build homes for those on the lowest incomes such as key workers. It is also great to see funding for supported housing - such as homeless and domestic abuse shelters and older people housing - as this has been invaluable in keeping people safe during the pandemic… We welcome a focus on shared ownership to help people onto the housing ladder; however there are some questions and risks in the new proposed model, that may make it harder for housing associations to build in the current climate… What we need from government to shore up investment is certainty and confidence, and some of the proposals for shared ownership and the introduction of the Right to Shared Ownership may have the opposite effect."

Helen Evans, Chief Executive of Network Homes and Chair of the G15 group of large London housing associations, told 'Inside Housing' that:

"The G15 strongly welcomes confirmation of the new funding programme, however we are of the view that the allocation to London will not be sufficient to meet the need for affordable housing in the city."

Matthew Bailes, Chief Executive of Paradigm Housing Association said that:

"The current affordable housing model relies on margins on shared ownership to cross-subsidise sub-market rent. That cross-subsidy, along with cross-subsidy from outright sale, was already at risk given market conditions. Obliging providers to pay for repair costs for ten years, accept sales on tranches as low as 10% and, presumably, bind themselves to agreed prices on future staircasing will erode any margin still further – almost certainly to a point where without significantly more subsidy, shared ownership won't stack up."

Jon Lord, Chief Executive of Bolton at Home, and chair of Greater Manchester Housing Providers, told 'Inside Housing' that:

"I think that money for homeownership could end up going back down South because we only have a limited amount of exposure we can accept and a limited amount of reserves, and you cannot be left with unsold shared ownership schemes."

Tony Stacey, Chief Executive of South Yorkshire Housing Association told 'Inside Housing' that:

"The amount of the programme that's going into homeownership is a concern for Northern organisations because that only works in certain areas… What you will end up with is a lot of shared ownership being delivered down South – that's where the levelling-up agenda isn't working."

Peter Apps, the Deputy Editor of 'Inside Housing' wrote that:

"There are a number of issues with this new round of funding. First… there is mounting frustration in the North of England that they remain locked out of the most generous grant rates that continue to be reserved for areas of "high affordability pressure" – namely, the South East. This issue predates this programme but given the weight Johnson and co have placed on 'levelling up', it was one that many expected to be corrected.

"The truth remains as it has always been: the absence of runaway house prices in many Northern areas do not indicate the absence of a housing crisis – just a different type of one. It is one that a government which professes to speak for those in left-behind communities ought to be trying to solve. There is no levelling up without housing renewal and there will be no housing renewal when government formulas direct social rented funding south.

"What makes this even more galling is that in the name of levelling up, the budget for London has been reduced by £800million to £4billion. This appears nothing other than a nakedly political decision in a climate of deteriorating relations with Sadiq Khan's City Hall. It is certainly not indicative of the fact that the housing crisis in the capital is easing off. To cut London's budget without removing the funding criteria that disadvantaged the North means this programme has at least achieved some measure of equality: everyone is angry.

"And that is before we even reach the new shared ownership reforms… In trying to solve perceived problems, the government is rushing ahead with measures which could fatally undermine the viability of the product.

"It smacks of policymaking in a bubble without the requisite hard work to make sure the suggestions are practical and deliverable and that – unfortunately – is becoming a common theme. Overall, I have not heard the sector this annoyed about a funding programme since the grant offer in London in 2014/15, which saw the terms made so onerous a number of large housing associations rejected the money outright. We are some way from reaching that stage this time, but if you look at who was mayor of the city then, you may find the common denominator."

Business group London First highlighted the mismatch between the £4billion offer and calculations of London's affordable housing need, with executive director of place Jonathan Seager saying that the affordable housing programme:

"Only scratches the surface of England's housing crisis… In finalising the settlement with the Mayor, the Government must recognise the overwhelming need for affordable rented accommodation in London."

Conclusions

The Affordable Homes Programme for 2021 to 2026 is for £12.2billion, an increase when compared with the 2016 to 2021 programme but still far less than was provided for affordable housing before 2011. The programme reduces provision in London and increases it in other parts of England and increases provision for home ownership while reducing provision for social and affordable housing. Support for social housing will effectively be confined to areas of high housing pressure in the south-eastern and eastern regions; while it is likely that the same regions will benefit most from the home ownership programme.

The 'right to shared ownership' has the potential to undermine the ability of housing associations to sustain enough social homes to meet need.

The government calculates that there are 3.5million people on social housing waiting lists but the National Housing Federation calculates that there are four million in need. They calculate that there is a need to build 90,000 social homes a year to meet need but during recent years only about half these numbers have been built. This Affordable Housing Programme is likely to see a further reduction in the number of social homes built. It is widely seen in the sector as a missed opportunity to tackle the housing crisis that England faces.

Adrian Waite
September 2020

Introduction to Housing Association Finance in England

Webinars

We are holding webinars entitled 'Introduction to Housing Association Finance in England' during October and November 2020. These webinars give an introduction and overview of this important subject and are fully up to date with all developments. There are three webinars:
- Introduction to Housing Association Finance in England (revenue) - 20th October 2020 at 2pm
- Introduction to Housing Association Finance in England (capital) - 27th October 2020 at 2pm
- Introduction to Housing Association Finance in England (technical issues) - 3rd November 2020 at 2pm

These webinars are comprehensive and are designed for people who are not experts in housing assocation finance in England, but who need to understand the basics and achieve an overview of what is going on. They are suitable for board members, housing managers, tenant representatives, finance staff who have limited experience of housing association finance and others who realise that an understanding of housing finance can place them at an advantage!

- Introduction to Housing Association Finance in England (revenue) refers to: Statements of Comprehensive Income; Global Accounts; Trends in Income and Expenditure; Cash Flow Statements; Statements of Financial Position; Taxation; Pensions; Rent Influencing regime; Social, Affordable and Market Rents; Shared-ownership; Rent Policy from 2020; Service Charges; Housing Support and Supporting People Grant; Housing Benefits; Welfare Reform including the Welfare Reform & Work Act and Universal Credit; Managing rent arrears; Commercial income; Community investment.
- Introduction to Housing Association Finance in England (capital) refers to: Capital Expenditure; Component Accounting; Decent Homes Standard; Development of New Homes; Sources of Capital Finance; Capital Contributions; Use of Reserves; Capital Receipts; Affordable Housing Programme 2021 to 2026 (Homes England and Greater London Authority programmes); Private Loans; Borrowing strategies and Treasury Management – including 'gearing'; Diversification of Borrowing - including bonds; Regeneration schemes and how they are financed; Development of Affordable and Market housing.
- Introduction to Housing Association Finance in England (technical issues) refers to: Economic and Political Context; Social Housing Green Paper; Government policy following the election of December 2019; Regulation and Governance; the Viability Standard and Value for Money requirements; Setting Budgets; Budgetary Control and Monitoring; the role of Boards, Managers and Accountants; Financial Structures; Business and Financial Planning; Internal and External Audit; Financial forecasts; Value for Money; Procurement; Asset Management; Risk Management; Performance Management; and Housing Association Mergers.

Each webinar will last about an hour and costs £30 plus value added tax (a total of £36). It is possible to ask questions during and after the webinar. Each webinar is also accompanied by a very useful briefing paper that will be emailed to participants after it has finished alongside a copy of the presentation used. A recording of the webinar is also available.

For further information or to make a booking, please click here: https://awics.co.uk/introduction-to-housing-association-finance-in-england

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- Independent Residents' Advice – http://www.awics.co.uk/IndependentTenantAdvice.asp
- Technical Books - http://www.awics.co.uk/publications.asp
- Information Service - http://www.awics.co.uk/aboutUs.asp