



Report to:

Northwards Housing Board

12th May 2009

Item No:

15f

Title:	New Build Accreditation		
Date:	30 th April 2009		
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Confidential:	No		
For: (Please tick action required)	NOTING	DISCUSSION	APPROVAL ✓

PURPOSE OF REPORT

To inform the Board that the Asset Management Sub-Committee is recommending that a Pre Qualification Questionnaire (PQQ) is submitted to the Homes & Communities Agency (HCA) seeking Investment Partner status under the National Affordable Housing Programme (NAHP). This would allow Northwards Housing to apply for grant funding to develop new social housing.

RECOMMENDATION

The Board is requested to approve the Asset Management Sub-Committee recommendation that the PQQ is to be submitted to HCA.

IMPLICATIONS

Equality & Diversity:	All new homes developed using NAHP would have to meet strict design and quality standards, particularly in relation to the needs of BME families and disabled residents.
Financial:	Investment Partner status would allow Northwards to apply for grant funding to develop new social housing creating additional rental income.
Staffing:	Northwards currently has no experience of delivering new housing using NAHP, therefore there may be a requirement to bring in support through the process; either through directly employing or bringing in expertise on a consultancy basis.
Decency Target:	All new homes developed using NAHP would have to meet strict design and quality standards.
Governance:	None directly
Risk Assessment:	None directly for PQQ submission; each scheme subject to a grant funding bid will undergo detailed risk assessment as appropriate.

Equality Impact Assessment

Function being assessed	Not Applicable at this stage
Section	
Date of assessment	
Person Responsible for assessment	

Is this a new or existing policy?	
If there are significant implications in terms of equality please append a summary report.	

Consultation/Consideration:

	Yes, No or N/A:	Name:	Date:
Sub-Committees:	Yes	Asset Management	29 th April 2009
Area Panel:	No		
Task Groups:	No		
Ward Councillors:	No		

1. Background

- 1.1 The Homes & Communities Agency (HCA) is the national housing and regeneration agency for England. Formed on 1st December 2008, the HCA combines the previous roles of English Partnerships and the investment arm of the Housing Corporation; it has an annual investment budget of over £5bn.
- 1.2 The National Affordable Housing Programme (NAHP) aims to increase the supply of affordable homes in England. Between 2008-11, HCA will invest £8.4bn in affordable housing through the NAHP; the intention is to deliver 155,000 new homes each year including homes for low cost home ownership and social rent.
- 1.3 Northwards has previously achieved accreditation under the Housing Corporation's Housing Management Accreditation Framework, allowing the organisation to manage any housing stock developed using grant funding. To date, no homes are managed under this accreditation framework as discussions are still ongoing with the City Council with regards to stock rationalisation. It is the intention to build on this accreditation status and secure Investment Partner status.
- 1.4 Investment Partner status is the first stage towards securing grant funding; the Pre Qualification Questionnaire (PQQ) sets out the context and provides HCA with an indication of intent which involves submitting background information including details of accounts and procurement arrangements to ensure forecasting / ambitions are realistic. Following the achievement of Investment Partner status, detailed funding bids for schemes can be submitted for consideration.

2. PQQ Requirements

- 2.1 There are several sections to the PQQ encompassing background details about the organisation; financial and commercial standing; technical expertise to deliver (incorporating procurement arrangements, supply chain management and innovation) and the promotion of equality and diversity and community cohesion. Details of the PQQ will be available on request on submission.

3. Strategic Fit

- 3.1 Demand for social rented housing has increased dramatically both nationally and across the City of Manchester in recent years; which has been compounded more recently by uncertainty in the wider economy.
- 3.2 As a 'Three Star' organisation, Northwards is now looking beyond Decent Homes delivery and the term of the existing Management Agreement to explore what options are available to help improve the housing offer locally with an aim of helping to create more successful, sustainable communities.
- 3.3 Initial discussions have taken place with Manchester City Council with regards to Northwards bidding for grant funding to build new social rented housing, including the practicalities of how any new social rented homes would be delivered (these discussions form part of the wider ongoing discussions regarding future options for the organisation).
- 3.4 Manchester City Council has a strategic objective to increase owner-occupation to a level of 60% from its current level of around 47%. As such, Northwards is looking initially at some small scale intervention to deal with specific local issues taking into account stock condition, demand and wider sustainability indicators, rather than large scale development.
- 3.5 A pre-requisite of securing Investment Partner status is a letter of support from the sponsoring local authority. As discussions with the City Council are currently ongoing (see 3.3 above) the letter cannot be provided at this stage. However, the HCA are prepared to accept the PQQ without the supporting letter in order to grant 'provisional' approval – full status will be granted on receipt of the supporting letter.

4. Next Steps

- 4.1 Northwards will seek to learn from local ALMOs who have achieved Investment Partner status and have begun to work up detailed schemes; or already secured grant funding.
- 4.2 In addition to the PQQ process, Northwards is looking to develop specific proposals / options for grant funding should Investment Partner status be secured. It is proposed that updates are brought back to the Asset Management Sub-Committee and Board (for information) in relation to the PQQ submission and updates on schemes when live.
- 4.3 David Leah has voluntarily offered his personal support, and the support of his colleagues at the Red Loft Manchester office, to further develop the PQQ to be submitted to ensure that Investment Partner status is achieved. Red Loft has supported both Hounslow Homes & Stockport Homes through this process; both are now delivering their first homes using NAHP funding.

5. Recommendation

- 5.1 The Board is requested to approve the Asset Management Sub-Committee recommendation that the PQQ is to be submitted to HCA.