

# Affordable Housing: delivering on CSR07 and the Housing Green Paper

**Peter Ruback**  
Deputy Director  
Affordable Housing Division

Need for affordable housing

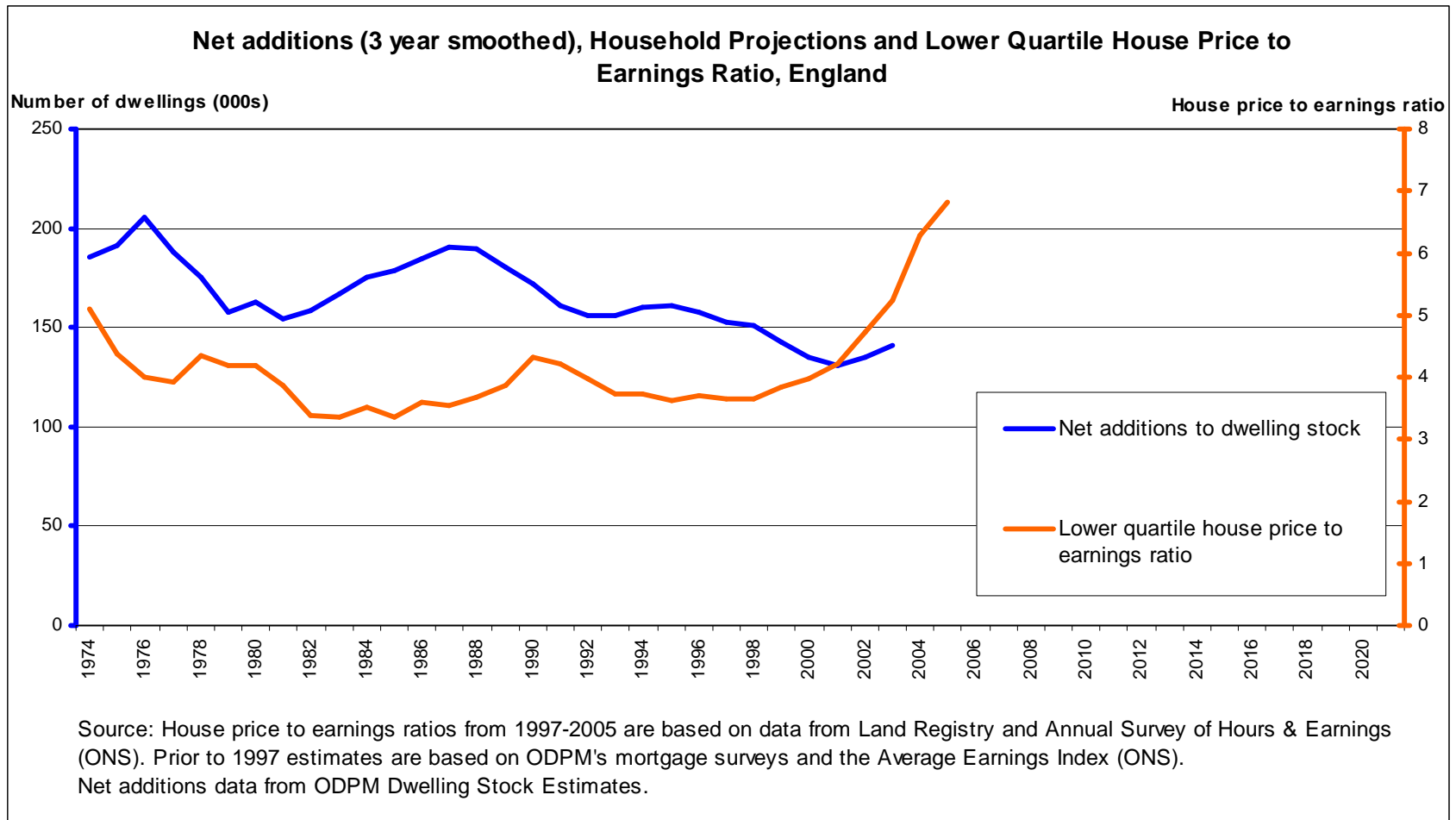
Green paper targets: what they mean?

Delivery through RSLs and developers

New LA models of delivery

Next Steps

# The problem: affordability, supply & the housing cycle



## Housing Green Paper - affordable housing targets

- Investment of at least £8bn in affordable housing
- At least 70,000 affordable homes a year by 2011; of which
  - 45,000 social rented homes and
  - 25,000 homes for low cost home ownership
- A goal to go further on social rented homes in the next spending review
- 3 bed + and Rural targets

## New supply: delivery through RSLs and developers

RSLs continue to be main player over the next three years

Developers – direct grant and S106

Efficiencies very important:

- Grant levels 6% real reduction
- Scope for s106

Need for LCHO growing

Programme: 25,000 units per annum: mainly RSLs, also S106, FTBi

LCHO from 200,000 homes on public sector land by 2016  
(including up to 60,000 new homes on surplus LA land)

Housing Corporation shared equity competition

Shared Equity review (led by Brian Pomeroy)



## Securing new supply - LA new build through an ALMO or LA company

- Local housing authorities can form companies to construct or acquire homes
- Dwellings are held outside the HRA – so not subject to the HRA subsidy system, pooling of capital receipts, or Right to Buy
- Ten ALMOs and other LA companies have pre-qualified to bid for Social Housing Grant this year
- Another pre-qualification round next year, extended to 2 star ALMOs

## Securing new supply - New build within the HRA

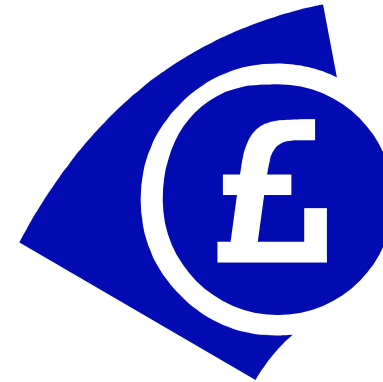
Currently, fewer than 300 council houses built each year

Green Paper proposes removing financial disincentives to new build within the HRA:

- councils to keep the full rental income from new properties
- councils to keep the full receipt from RTB sales of new properties

Key issues:

- impact on public borrowing and public spending
- additionality, or replacing RSL-partnered delivery?



## Funding: Planned Affordable Housing Allocations

		2008/09		2009/10		2010/11	
<b>2007/08</b>		£m	% change to 07/08	£m	% change to 08/09	£m	% change to 09/10
North East	<b>34</b>	48	40	55	15	59	7
Yorkshire and Humber	<b>71</b>	92	30	107	16	116	8
East Midlands	<b>82</b>	100	22	105	5	112	7
East of England	<b>183</b>	213	16	243	14	255	5
London	<b>925</b>	1,121	21	1,071	-4	1,146	7
South East	<b>372</b>	376	1	417	11	466	12
South West	<b>161</b>	213	32	245	15	253	3
West Midlands	<b>94</b>	134	43	154	15	179	16
North West	<b>107</b>	157	46	175	11	194	11
Growth support funding		100		200		300	
England	<b>2,028</b>	2,554	26	2,772	9	3,080	11

Confirmation of funding for PSDH and LADH

Housing Corporation programme announced early 2008

Regular market engagement from then on Summer 2008

Home and Communities Agency April 2009