



Homes &
Communities
Agency

Office address:
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Date as e-mail

Janet Abraham
Head of Strategy and Delivery - Housing Service
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Subject to contract without prejudice

Dear Janet

2015-18 Affordable Homes Programme

Further to the announcement on allocations for the 2015-18 Affordable Homes Programme, I am very pleased to confirm that, following your bids submitted as part of this initial bids round we are proposing allocations to deliver 24 homes for £600,000 of funding from the HCA. A breakdown of this funding and number of homes by HCA Operating Area is given in the table below.

HCA operating area	Allocation	Number of homes (funded)	Number of homes (nil grant)
East and South East	£600,000	24	0
Midlands	£ 0	0	0
North East, Yorkshire and the Humber	£ 0	0	0
North West	£ 0	0	0
South and South West	£ 0	0	0
Total	£600,000	24	0

Your proposed allocation(s) are subject to contract. In order to deliver your allocation under the programme you will need to enter into contract for the 2015-18 Affordable Homes programme. Your designated HCA Contract Manager will be in touch with you shortly in order to start the contracting process.

During our bid assessment we identified a number of units where the size information had been input on to IMS incorrectly. Where relevant we will be in touch with you separately to remind you of the details. This information must be corrected on IMS before any further progress may be made with those schemes.

To minimise any hiatus between programme periods, the HCA is keen to accelerate starts into the current financial year. Your allocation includes schemes where you have forecast that 24 homes will achieve start on site in the current financial year. As part of the contracting process, which we will aim to conclude promptly, we will want to agree the profile

of starts which can be achieved in the current financial year, broken down by quarter, the certainty of delivery and therefore those which will be able to achieve a start on site claim before year end. Until those discussions are concluded on a scheme by scheme basis, all allocations with potential starts in the current financial year will show in IMS as April 2015 forecasts for financial forecasting purposes.

As noted in the prospectus, we intend to open continuous market engagement for further bids following this initial bid round. Details will be available in due course. Our aim is to do so in good time for schemes which have progressed since initial bidding closed to be able to come forward for assessment for allocation. In the meantime however, we would strongly encourage you to focus on delivery of the current (2011-15) AHP, and to progressing contracting and early delivery of those schemes for the 2015-18 AHP for which allocations are being confirmed today.

As outlined in the AHP 15-18 Prospectus, all organisations delivering programmes through the AHP 15-18 must be an HCA Investment Partner before payment under a completed contract can be made. Assessment of applications for Investment Partner status considers an applicant's financial and technical capacity to undertake an agreed programme of new supply, and the organisation's good financial standing.

Please note that this is a separate process to that undertaken by the HCA in its role as The Regulator to register providers of social housing. I'd be grateful if you could make a start on your qualification application as soon as possible. The qualification questionnaire is available to download from the HCA website here:

<http://www.homesandcommunities.co.uk/ourwork/affordable-homes-programme-2015-18>

Finally, I would like to thank you for all the hard work that you and colleagues have put into your initial bids and we now look forward to working with you to deliver those allocations.

On a separate matter, can I take this opportunity to remind you that, as from the 21 July 2014 the HCA's new postal address will be Homes and Communities Agency, Fry Building, 2 Marsham Street, London SW1P 4DF (shown at the top of this letter). Please be aware that HCA staff will be sharing this office with staff and Ministers from DCLG (who are moving from their current location at Eland House) and with staff and Ministers at the Home Office. As a result there is a higher level of security in operation than there is at Maple House. So if you are visiting someone at the HCA then you will need to bring official photo ID, such as a driver's licence or passport, and will need to allow extra time please, to pass through airport style security.

Yours sincerely



Fiona MacGregor
Executive Director of Programmes