

Affordable Homes Programme 2021-2026 – Frequently Asked Questions (FAQs)

V6. 8 November 2021

The FAQs below are aimed at providing further supporting information regarding bidding for funding through the Mayor's Affordable Housing 2021-26 programme. Details of the programme are set out in the AH 2021-26 Funding Guidance which is available at the following link: [Link to Affordable Homes 2021-26 Funding Guidance](#)

This is version 6 of the external FAQs updated on 14 April 2021 - version 1 was published 1st January. Items amended in version 7 are **highlighted in yellow below**. All changes relate to the movement of text from this document to the Capital Funding Guide.

Responses to External FAQs

New Supply

1) How is additionality defined in the new programme? (Updated 8 November)

Please note, this content has been moved to the Capital Funding Guide – for publication week commencing 8 November.

2) How do we determine the number additional homes that are eligible for funding on a site? (Updated 8 November)

Please note, this content has been moved to the Capital Funding Guide – for publication week commencing 8 November.

3) Will the GLA fund homes to replace those demolished in development? (Updated 8 November)

Please note, this content has been moved to the Capital Funding Guide – for publication week commencing 8 November.

4) How is an obsolete home defined in the new Programme? (Updated 8 November)

Please note, this content has been moved to the Capital Funding Guide – for publication week commencing 8 November.

A reminder that the GLA will only provide funding for the replacement of obsolete homes on an exceptional basis. Registered Providers should be aware that the GLA expects to fully allocate the portion of the programme allocation available for obsolete homes in the initial bidding round, and Registered Providers should have bid at the initial bidding stage if they wish to utilise the obsolete homes exemption.

Registered Providers should also be aware that there will be no flexibility to increase the number of homes funded through the obsolete definition after bidding stage, and Registered

Providers are expected to make as close an estimate as they can to secure the funding as the GLA will not be able to increase an individual Registered Provider's allocation later in the process. Registered Providers will need to confirm in GLA OPS that the obsolete homes funded through this programme meet the definition set out above and hold local records to confirm that.

5) Will the GLA fund homes within a s106 Agreement? (Updated 8 November)

Please note, this content has been moved to the Capital Funding Guide – for publication week commencing 8 November.

6) Will the GLA provide funding on sites where all of the homes are for affordable tenures (100% affordable housing schemes)? (Updated 8 November)

Please note, this content has been moved to the Capital Funding Guide – for publication week commencing 8 November.

7) What contributes towards MHCLG's cap on Acquisitions, defined as homes that are not new supply?

The AH 21-26 programme is primarily for new build new supply, however some provision has been made to allow funding for acquisitions. The GLA will be able to allocate up to 3,500 homes across the course of the programme for homes that are acquisitions and these are defined as

- 1) Previously occupied open market homes that are purchased for conversion to social housing (SR, SO, LLR) tenures.
- 2) Specialist and Supported housing where the units are remodelled or refurbished.
- 3) Homes that are defined as obsolete (see other FAQ).

The processing routes in GLA Ops will be used to identify new supply or acquisitions as set out in the table below, alongside the number of obsolete homes submitted on bids. The GLA will need to manage the volume of proposals for acquisitions to ensure we remain within the 3,500 homes cap on homes of this type. The restriction on a limited number of acquisitions does not apply to other GLA programmes (e.g AHP 16-23, Ring-Fence RTB, Mayor's Land Fund etc).

New Supply or Acquisition?	GLA Ops Processing Route	Definition of the processing route
New Supply	New Build – Land & Development	GLA funding is for development/building of homes and for the land.
New Supply	New Build - Development only	GLA funding is for development/building of homes only (GLA funding is not for the land).
New Supply	Off the Shelf	Acquiring a newly built completed home. GLA funding is for the acquisition of the completed home and conversion to affordable housing

New Supply	Off the Shelf – package deal	Acquiring a new build home that is still due to complete. GLA funding is for the acquisition of the home when completed and conversion to affordable housing
Acquisition	Acquisition of Home – no work required	Acquiring a second-hand (previously occupied) open market home that does not require works before conversion to affordable housing
Acquisition	Acquisition of Home – work required	Acquiring a second-hand (previously occupied) open market home that requires some work before conversion to affordable housing

Supported and Specialist housing only:

New Supply or Acquisition?	GLA Ops Processing Route	Definition of the processing route
Acquisition	SSH Refurbishment	GLA funding is to re-furbish units on a site to bring the units to habitable/improved status for use as supported housing hostels. See further FAQ
Acquisition	SSH Remodelling	GLA funding is to remodel a site where some/all of the units may be re-provided. Remodelling would involve some structural alterations, for example conversion of shared to self-contained or of smaller to larger units. See further FAQ

Tenure Products

8) What are the changes to LLR eligibility? (Updated 8 November)

Please note, this content has been moved to the Capital Funding Guide – for publication week commencing 8 November.

9) How will grant recovery be applied to LLR homes that are sold via shared ownership? (Updated 8 November)

Please note, this content has been moved to the Capital Funding Guide – for publication week commencing 8 November.

10) When will further information be available on MHCLG’s new model for Shared Ownership? (Updated 8 November)

Please note, this content has been moved to the Capital Funding Guide – for publication week commencing 8 November.

11) Why is the Mayor expecting partners to offer 990 year leases as standard on shared ownership homes funded through the AHP? My schemes has a restriction which means I can’t offer a 990 year lease, what should I do? (Updated 8 November)

Please note, this content has been moved to the Capital Funding Guide – for publication week commencing 8 November.

12) How will grant recovery be applied for Social Rent homes sold via the Right to Shared ownership? (Updated 8 November)

Please note, this content has been moved to the Capital Funding Guide – for publication week commencing 8 November.

13) Over what period are housing providers responsible for repairs and maintenance in the new shared ownership model? Updated 8 November

The new model lease will be published by Homes England in due course.

14) Will Shared Ownership homes submitted for funding with Recycled Capital Grant only, be required to adhere to the new model for Shared Ownership?

Yes, all homes for shared ownership submitted in the AHP 21-26, whether using grant and or RCGF, will be based on the new model for Shared Ownership. Full details of grant recovery (including recycled capital grant funds) will be included the revised Capital Funding Guide in due course.

15) Will Social Rent homes submitted for funding using the Recycled Capital Grant Fund (RCGF) only be required to offer the Right to Shared Ownership?

Yes, all homes for social rent submitted in the AHP 21-26, whether using grant and or RCGF, will be include the Right to Shared Ownership, unless an exemption applies. Full details of grant recovery (including recycled capital grant funds) will be included the revised Capital Funding Guide in due course.

Supported and Specialist Housing

16) For specialist and supported housing, what are the definitions for refurbishment and remodelling?

The programme will fund bids for supported and specialist housing that can be developed through new build, as well as through the repurposing or re-improvement of existing homes:

Refurbishment involves non-structural works intended to raise the standard of homes. These are works that would not be defined as major repairs.

Remodelling involves structural alterations, for example conversion of shared to self-contained or of smaller to larger units. These are works that would not be defined as major repairs.

Major repairs are works which arise in the longer term from the renewal of major dwelling components (such as window frames), even though satisfactory maintenance and repair have

been carried out. In all cases provision should have been made in the business plan for both cyclical maintenance and major repairs and in no cases will these works be eligible for grant.

To note, in the AH 2021-26 programme, the GLA is only able to fund refurbishment and remodelling units designated for specialist and supported housing.

Other

17) What are examples of the actions the equality, diversity and inclusion (EDI) action plans expected to contain? (updated 18th March)

The EDI action plans are expected to include at least one action from across the three themes of organisational equality and fairness, sustainable and diverse supply chains and working together with Londoners. Full guidance on how to implement the equality, diversity and inclusion funding requirements in the programme, including a list of indicative actions, will be available on the website.

18) How will the GLA review Development Costs for a project?

Bids for the new programme will be assessed on a case-by-case basis to consider the grant requirement for each proposal. We will assess the costs associated with the project; contributions towards those costs; and the gap that requires grant to make the scheme viable for each tenure. Costs and contribution information you provide on the GLA Ops project should relate specifically to the homes on the project you are requesting GLA funding for.

The table [click here](#) sets out assumed development costs by borough location, number of bedrooms and tenure and the GLA will use these as broad indicators to review the costs submitted on bids. These are not benchmarks or minimum/maximum costs but will be used as an guide to consider against development costs submitted on projects.

Bidders will be expected to demonstrate that they have maximised the use of other sources of funding and cross-subsidy applied towards the overall costs of the projects, and that the levels of grant sought are justified for the size and complexity of the proposal. The GLA will ask bidders to submit details of acquisition or land costs, development costs and on-costs and further guidance related to these are set out in the GLA's Affordable Housing Capital Funding Guide. At completion stage, organisations will be required to confirm actual costs associated with the project and grant recovery will be applied where final costs are lower than those used for the grant allocation decision.

Bidders submitting proposals for indicative allocations will be required to estimate the costs associated with their proposed indicative development programme and the costs per unit will be expected to be maintained when the indicative allocation is profiled to named sites over the course of the programme.

There will be a strong focus on the management of costs throughout the programme period, providers are required to work with the GLA an open book basis, sharing cost data on specific projects and, on a confidential basis, viability assessments for projects where those are required to clarify grant levels requested on specific bids.

19) How do we apply for exemptions to the design and sustainability requirements.

Further detail of the GLA's design and sustainability requirements, including information related to exemptions are available on the GLA website at the following link:

<https://www.london.gov.uk/what-we-do/housing-and-land/homes-londoners-affordable-homes-programmes/homes-londoners-affordable-homes-programme-2021-2026/design-and-sustainability-further-guidance>

20) Are there any exemptions to the Building Safety Standards? (Updated 8 November)

Please note, this content has been moved to the Capital Funding Guide – for publication week commencing 8 November.

21) Where can I find guidance on using the GLA Open Project System for submitting bids? (Updated 8 November)

Please note, this content has been moved to the Capital Funding Guide – for publication week commencing 8 November.

22) What information should be included for contributions from rents and other public subsidy (added 31st March)

Bidders should include details of funding contributions that will be applied directly towards the cost of the homes bid for on the project.

For contributions related to income from rents, at a scheme level, partners should be entering income from rents for Social Rent units, London Living Rent units and, where applicable for Supported Housing, Affordable Rent units. Partners are not required to enter income from rents on unsold equity for Shared Ownership properties, unless that income is directly contributing towards the total scheme costs for the proposed units on the bid.

For contributions from other public subsidy, this should include any funding that is contributing towards the scheme costs from other sources of public funding including other non AHP subsidy from the GLA or elsewhere. Subsidy can be broadly defined as a capital grant that is non recoverable.

23) How will grant recovery be applied for LLR homes sold via shared ownership? (Updated 8 November)

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