

Report to Cabinet

17 March 2021

Subject:	Authority to submit a bid for Grant Funding from the Homes England Affordable Housing Programme 2021/26
Cabinet Member:	Cabinet Member for Homes, Cllr Keith Allcock
Director:	Interim Director Regeneration and Growth Tammy Stokes
Key Decision:	Yes
Contact Officer:	Partnerships and Programme Manager Alan Martin alan_martin@sandwell.gov.uk

1 Recommendations

- 1.1 That the Director of Regeneration and Growth be authorised to submit a bid for Homes England Affordable Housing 2021/26 grant funding for 200 units through the Matrix consortium as an existing consortium partner.
- 1.2 That the Director of Law and Governance and Monitoring Officer be authorised to enter into or execute under seal any documentation in relation to Grant Agreements with Homes England for the Affordable Homes Programme 2021-2026 through the Matrix Consortium Agreement with Accord Housing Association Limited as lead partner and any other related ancilliary documents etc. to facilitate accessing grant funding to develop affordable housing on terms and conditions to be agreed by the Interim Director of Regeneration and Growth the Director of Housing and Communities.



- 1.3 That the Director of Law and Governance and Monitoring Officer in consultation with the Interim Director of Regeneration and Growth the Director of Housing and Communities be authorised to apply any exemptions to Procurement & Contract Procedure rules to allow the recommendations above to take place

2 Reasons for Recommendations

- 2.1 The original Cabinet Report - **Approval to enter into a Grant Funding Agreement with Homes England and a Consortium Agreement with Accord Housing Association 28 February 2018 (Minute No.38/18)** gave approval to enter into the Grant Agreement with Homes England in relation to the Affordable Homes Programme 2016-2021 and the Consortium Agreement with Accord Housing Association Limited as lead partner and any other agreements necessary to facilitate accessing grant funding to develop affordable Council housing.
- 2.2 The Shared Ownership and Affordable Homes Programme 2016-2021 and the New Ways of Working Affordable Homes Programme 2016-2021 had planned to be completed by March 2021, however, due to Covid 19 related issues this completion date has now been extended to 2023. The Council will continue to deliver all schemes under these programmes.
- 2.3 Homes England announced that the bidding round for Affordable Homes Programme 2021-2026 would be started in September 2020 with the following timetable, but stated (**The timetable will be updated with more detailed information as and when it becomes available**)
- Launch – 10 September 2020
 - Stakeholder engagement – September – November 2020
 - CME applications invited – 15 December 2020
 - Strategic Partnership proposals invited – anticipated by the start of 2021





- 2.4 A further announcement was made December 2020 stating that Strategic Partnership proposals would be invited in mid April 2020 again with more information about bidding requirements to follow. Homes England have continued to provide further details incrementally but as yet no further Homes England announcements have been made in relation to the submission date so the Matrix consortium is working to the mid April date.
- 2.5 The Affordable Homes Programme provides grant funding to support the capital costs of developing affordable housing for rent or sale. As the Government's housing accelerator, Homes England will be making available £7.39 billion from April 2021 to deliver up to 130,000 affordable homes by March 2026 – outside of London.
- 2.6 The Matrix Board at it's meeting on 4th February 2021 agreed the proposed basis for submitting a bid to Homes England. Matrix partners wishing to be part of the Matrix bid to Homes England were requested to provide;
- Confirmation that the partner wishes to be part of the Matrix Strategic Partnering bid.
 - Indicative levels of homes that the partner would commit to achieving during the Strategic Partnering period and for each tenure
 - Estimated costs and grant levels required by partner.
- 2.7 The Matrix Board also recognised that each Partner will need to consider and gain approval from their Board/ Cabinet (or under any delegations permitted) to formally commit to
- Number of homes including tenure profile and timetable
 - Agreement to the proposed Matrix grant rate by tenure/region
 - Agreement to any other key bid requirements set by Matrix Board to support a successful bid strategy (e.g. minimum proportion of MMC units).



2.8 The Council is now in the process of determining proposals for its new build programme for the next 5 years. The initial financial modelling around currently available and potentially available sites (Subject to Cabinet approval and the delivery assumptions made) has shown that when the other available funding has been allocated there is potential to deliver a further 200 units through the Homes England grant funded route.

3 How does this deliver objectives of the Corporate Plan?

	<p>Quality homes in thriving neighbourhoods</p> <p>The provision of grant will support financial viability to provide more new housing stock up to current Building Regulations encompassing high quality design to provide high quality living accommodation that will be energy efficient and sustainable contributing to reduced living costs and better quality of life to the new Council tenants. All of which contributes to the aims of the Climate Change Strategy for Sandwell.</p>
	<p>A strong and inclusive economy</p> <p>The development of grant supported schemes will support investing in businesses, people and jobs that will create wealth and tackle poverty. It will also actively promote Think Sandwell with the inclusion of apprenticeships and training opportunities within the contractual arrangements</p> <p>The provision of grant will support redevelopment of the sites with modern residential accommodation which will improve the immediate area, public realm, street scene and the asset base of the borough by providing much needed affordable, high quality, energy efficient housing.</p> <p>This will result in creating sustainable communities, create wealth, tackle poverty, improve health and wellbeing and reduce certain types of anti-social behaviour and crime.</p>



3 Context and Key Issues

- 4.1 The current Council house build programme has been delivered to date utilising Housing Revenue Account, Right to Buy 1-4-1 (RTB) receipts, Planning Section 106 commuted sums and Homes England grant funding through the 2016/21 programmes. The Council is now in the process of determining its next new build programme for the next 5 years. The initial financial modelling around currently available and potentially available sites (Subject to Cabinet approval and the delivery assumptions made) has shown that when the other available funding has been allocated there is potential to deliver a further 200 units through the Homes England grant funded route. The ability to access Affordable Homes Programme 2021-2026 will supplement other funding sources giving the opportunity to develop more sites and deliver more properties.
- 4.2 Subject to the approval and completing contractual arrangements it is envisaged that works funded under this programme could commence 2022/23 onwards.
- 4.3 The development of Homes England funded sites with new homes will result in the following benefits:
- Increasing the levels of high quality stock to replace units lost under Right to Buy through the HRA investment programme.
 - Contributing positively to the financial position of the Council by generating New Homes Bonus and new Council Tax receipts.
 - Developing fit for purpose accommodation.
 - Increased good quality, energy efficient housing provision in the Borough
 - Increasing the levels of new build Council housing stock within the Borough contributing towards meeting target forecasts.
 - Re-developing areas of vacant land reducing the quantity of vacant



land in the Borough and improve the image of the local built environment thereby supporting the aim of creating a safe and clean place to live.

- Linking to the work of Think Local and Think Sandwell approaches that will offer significant employment and training opportunities as well as additional community benefits to the local economy, including working with local supply chains and use of local labour.
- Producing positive outputs for community safety through the redevelopment of a vacant sites.

5 Alternative Options

- 5.1 This report relates to accessing an individual funding source from Homes England for the delivery of affordable housing the alternative funding options are already being utilised if they are more suitable to individual schemes.
- 5.2 If the approval for this contract is not gained there would be knock-on delay for the proposed completion of urgently needed housing and adapted accommodation and have implications for the Council in meeting its commitment to deliver housing outputs and draw down Homes England affordable housing grant.

6 Implications

Resources:	The Housing Revenue Account has set aside capital within its capital investment programme over the next 5 years, as part of its continued commitment towards the Sandwell Corporate Plan to provide new homes within Sandwell. To compliment this, we will be looking to Homes England for grant support, to facilitate the construction of more new homes within Sandwell.
Legal and Governance:	There are no specific immediate legal or statutory implications arising from the proposal outlined in this report. However, on-going legal implications regarding the development of land or property will be



	<p>addressed fully in accordance with legal requirements.</p> <p>Pursuant to the Localism Act 2011 (S 1 – 7), Local Authorities have a general power of competence to do anything that individuals generally may do.</p> <p>Advice will be taken from the Council’s Procurement Strategy Officer and Legal Services to ensure that the Public Contracts Regulations 2015 and the council’s procurement and contract rules are complied with.</p>
Risk:	<p>The Corporate Risk Management Strategy (CRMS) will continue to be complied with throughout, in identifying and assessing the significant risks associated with this strategic proposal. This includes (but is not limited to) political, legislation, financial, environmental and reputation risks.</p> <p>A project risk register will be compiled for each individual schemes (as part of the Cabinet approval) that forms part of the Homes England programme and will be reviewed and updated on a regular basis. The risk registers will be monitored by the Project Team.</p> <p>Based on the information provided it is the officers’ opinion that for the initial risks that have been identified, arrangements are in place to manage and mitigate these effectively.</p> <p>This report does not relate to the collection of personal information and therefore a privacy impact assessment is not required.</p>
Equality:	<p>An Equality Impact Screening Assessment has been completed and has not highlighted any equality issues.</p>
Health and Wellbeing:	<p>The redevelopment of under-utilised sites with modern residential accommodation will improve the public realm, street scene and the asset base of the borough by providing much needed affordable</p>



	<p>housing.</p> <p>The provision of Homes England grant will provide more Homes that meet people's needs. Sandwell's population is growing, and people need quality housing that fits their requirements.</p>
Social Value	<p>The development of more houses will support investing in businesses, people and jobs that will create wealth and tackle poverty. It will also actively promote Think Sandwell with the inclusion of apprenticeships and training opportunities within the contractual arrangements.</p>

7. Appendices

N/A

8. Background Papers

Cabinet Report - Approval to enter into a Grant Funding Agreement with Homes England and a Consortium Agreement with Accord Housing Association, 28th February 2018 (Minute. No38/18).

