

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Council

Date: 07 December 2021

Reporting officer: Stuart Bobby, Chief Executive

Subject: Homes England Consortium Agreement

Purpose and summary of report:

To seek approval to delegated authority from Full Council, intended to enable the council to respond quickly to opportunities for maximising the benefit that can be derived for the Borough from the council's designation as an Investment Partner with Homes England.

Recommendations:

1. That delegated authority be given to the Director (Housing), in consultation with the Leader of the Executive, the Director (Corporate Services) (in the role of Section 151 Officer) and the Monitoring Officer to take all necessary practical, financial and legal actions (including entering into the relevant formal legal agreements) required to enter into consortium agreements with organisations for the sole purpose of accessing grant funding from the Homes England Affordable Homes Programme 2021 to 2026, to bring forward housing development in the Borough of Gravesham.
2. That delegated authority be given to Director (Corporate Services) to adjust the Council's future Capital Programmes in-year to reflect any Homes England grant funding awarded under the Affordable Homes Programme 2021 to 2026.

1. Background

- 1.1 The Corporate Plan 2019-2023 sets out the council's commitment to *Deliver an ambitious and diverse programme of building* intended to *increase the supply of high quality market and affordable housing*.
- 1.2 The council is proactively accelerating the delivery of its own new build programme to increase the supply of social housing stock, with 49 new council homes delivered since 2012, a further 78 homes currently under construction and 357 homes either in design or having received planning permission. It is also actively working to increase other housing tenures in the borough through engaging with registered providers, land owners and developers with extant permissions for development in place and by taking the lead in bringing forward housing through projects such as The Charter which is being delivered through Rosherville Limited, the council's Local Authority Trading Company.

- 1.3 It is not uncommon for much needed schemes on sites identified for housing use to experience challenges around feasibility, and such challenges tend to be driven by fragilities and capacity issues with existing utility networks and the scale and nature of groundwork and mitigation measures required to respond to environmental concerns. To this end, the council has been seeking external support and engaging with bodies such as Homes England to ascertain ways in which it can look to overcome these issues.

2. Homes England Affordable Homes Programme 2021 to 2026

- 2.1 Homes England is an executive non-departmental public body sponsored by the Department for Levelling Up, Housing and Communities (DLUHC, formally MHCLG) and are tasked with accelerating the delivery of affordable housing in England. To fulfil this objective, Homes England administer a number of funding programmes directed to working with a number of partners to maximise the impact of this funding and deliver a more resilient and diverse housing market.
- 2.2 One such programme is the Affordable Homes Programme 2021 to 2026. This programme provides grant funding to support the capital costs of developing affordable housing for rent or sale. Homes England will be making available £7.39 billion from April 2021 to deliver up to 130,000 new affordable homes by March 2026 – outside of London.
- 2.3 To receive grant funding from the programme, an organisation needs to be a qualified Investment Partner of Homes England or be working with an organisation that is. In a consortium, only the lead organisation needs Investment Partner status, unless other partners also intend to apply for funding on their own. Investment partner status confirms that organisations have the financial and technical capacity to deliver their proposed scheme, that they have financial and legal good standing and have the capability (or can evidence a preferred contractors capability) to manage capital build projects and associated development risks.
- 2.4 On 11 August 2021 Gravesham Borough Council received confirmation from Homes England that it had achieved Investment Partner status and was therefore able to participate in the Affordable Homes Programme 2021-26.
- 2.5 As agreed by Cabinet on 8 November 2021, the first action of the council has been to form a Consortium with the Elizabeth Huggins Cottages Charity and submit a bid for funding towards phase one of the development of the charity's site at Cross Lane West.
- 2.6 Through the Consortium the council has been able to help the charity secure a grant of £500,000 towards the development, equivalent to £50,000 for each net new additional housing unit being delivered. This grant would not have been able to be secured by the Trust directly from Homes England as it would not have been able to achieve Investment Partner status.
- 2.7 Acting as Lead Partner, under the Consortium arrangement the council will be required to use all reasonable endeavours and work with the Elizabeth Huggins Cottages Charity, as a Consortium Member, to ensure the delivery of the scheme for which grant funding from Homes England has been secured. The council will also be responsible for the collation and provision of information to Homes

England on the achievement of milestones set out within the funding agreement associated with the grant.

- 2.8 The Consortium arrangement will not expose the council to any obligations, including financial obligations, beyond its role as Lead Partner.
- 2.9 The Elizabeth Huggins Cottages Charity, as a Consortium Member, will be responsible for entering into and maintaining oversight of the contract relating to the development and demonstrating viability of the proposed scheme, as well as providing periodic updates on progress to the council and Homes England. The charity are also required to provide the council with Certificates of Payment authorised by an appointed Employers Agent to support any invoices submitted by the contractor.

3. Proposal for recommendation

- 3.1 To enable the council to act at pace and respond to opportunities to secure funding from the Affordable Homes Programme 2021-26 for organisations that would not qualify for Investment Partner Status, it is proposed that delegated authority be given to Director (Housing), in consultation with the Leader of the Executive, the Director (Corporate Services) (in the role of Section 151 Officer) and the Monitoring Officer to enter into consortium agreements with organisations for the sole purpose of accessing grant funding from the Homes England Affordable Homes Programme 2021 to 2026. The obligations of the council as Lead Partner for any future Consortium arrangement will be as demonstrated in paragraphs 2.7 to 2.9 of this report.
- 3.2 In making this delegation, Full Council would be requiring those with delegated authority to take all necessary practical, financial and legal actions (including entering into the relevant formal legal agreements) required as a means of bringing forward housing development in the Borough of Gravesham and maintaining the responsibilities of the council to those as a Lead Partner only.
- 3.3 Approval is also sought to provide delegated authority to the Director (Corporate Services) to adjust the Council's future Capital Programmes in-year to reflect any Homes England grant funding awarded under the Affordable Homes Programme 2021 to 2026.

4. BACKGROUND PAPERS

- 4.1 Background papers pertaining to this report are held by the Director (Housing). Anyone wishing to inspect background papers should, in the first place, be directed to Committee & Electoral Services who will make the necessary arrangements.

IMPLICATIONS	APPENDIX 1
Legal	The recommendations set out within this report are intended to set in place the appropriate delegated authorities to satisfy the legal, audit and constitutional requirements of Homes England and the Council in order that the Council can enter into future consortium agreements as a Lead Partner and access grant funding for affordable housing developments in the Borough from the Homes England Affordable Homes Programme 2021 to 2026.
Finance and Value for Money	Delegated authority is also being sought to enable the council's Capital Programme to be updated, in-year, to reflect any funding secured through the Homes England Affordable Homes Programme 2021 to 2026 without formal authority being sought each time from Full Council.
Risk Assessment	The risk of not approving the recommendations in this report is that the council may not be able to act as quickly as is possible or needed to secure external funding to bring forward affordable housing in the Borough that may otherwise not be available to an organisation.
Data Protection Impact Assessment	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? A definition of each type of data can be found on the Information Commissioner's Office website via the above links.</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk. N/A</p>
Equality Impact Assessment	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. N/A</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>
Corporate Plan	Objective #1 People - deliver an ambitious and diverse programme of building
Climate Change	Climate change aspects will be considered for individual developments through the planning application process.
Crime and Disorder	N/A

Digital and website implications	N/A
Safeguarding children and vulnerable adults	N/A