

## Central Bedfordshire Council

EXECUTIVE

Tuesday, 20 June 2017

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### Homes & Communities Agency Grant: 2016-21 Shared Ownership and Affordable Homes Programme

Report of: Cllr Carol Hegley, Executive Member for Social Care and Housing,  
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Responsible Director(s): Director of Social Care, Health and Housing  
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**This report relates to a decision that is Key**

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#### Purpose of this report

1. To approve entering into contract with the Homes & Communities Agency (HCA) for the provision of £5,610,000 funding to Central Bedfordshire Council (CBC) from the HCA to deliver 187 homes under the Shared Ownership and Affordable Homes Programme 2016 to 2021.

#### RECOMMENDATIONS

**The Executive is asked to:**

1. **approve entering into contract with the Homes & Communities Agency for the provision £5,610,000 funding to CBC to deliver 187 homes under the Shared Ownership and Affordable Homes Programme 2016 to 2021.**

#### Overview and Scrutiny Comments/Recommendations

2. This matter has not been considered by Overview and Scrutiny.

#### Issues

3. In 2016 the Council applied to the Homes and Communities Agency (HCA) for grant funding under the 2016-21 Shared Ownership and Affordable Homes Programme.

4. Following a stringent competitive bidding process CBC has been successful in securing an offer from the Homes & Communities Agency to award the Council a grant of £5,610,000 to deliver 187 affordable homes. The grant will be used to help deliver the Independent Living schemes of Houghton Regis Central and Crescent Court and is critical to the viability and budget availability of both schemes. A summary of the position reached on each of the schemes is outlined below.
5. The Council have been in receipt of HCA grant previously and are comfortable managing the HCA requirements that are based on a standard HCA contract.
6. It should be noted that the conditions refer to “Registered Providers” (RP’s). The Council is also considered to be a Registered Provider in the context of the contract. The main conditions are as follows:
  - a. Grant must be used in accordance with the HCA’s criteria, procedures and audit arrangements.
  - b. Grant must be applied to the affordable elements within the schemes.
  - c. Dwellings must meet the HCA’s Design & Quality Standards.
  - d. The Council must possess a legal interest in the property.
  - e. No member, employee or agent of the Council should have an interest in the vendor, contractor, or the land acquired.
  - f. Procurement must follow the EU Procurement requirements
  - g. The Council must participate in and comply with the HCA’s programme management and other management systems (primarily on line reporting and quarterly contract meetings).
7. As far as possible the Council is compliant with these and the other grant conditions with on line reporting and quarterly contract meetings The HCA have been kept updated on the programme for Crescent Court and Houghton Regis Central.
8. Houghton Regis Central is a site comprising the vacant former Co Op site, the Grade II listed Red House and Red House Court in Houghton Regis town centre. The development will involve re-development in two stages, with construction initially taking place on the Co Op site to allow the current Red House Court residents to move to new apartments. This would enable the existing building (Red House Court) to be demolished, to then provide homes and new facilities on the existing site.

The scheme will comprise 168 independent living apartments on a mixed tenure basis. The scheme received planning consent in November 2016 and it is proposed that construction will start on site in the Summer of 2018.

9. Crescent Court is a sheltered housing scheme situated in Toddington. The existing two storey scheme was built in the 1960's and the accommodation and facilities fall below the current space and quality standards. The proposal is to develop 45 independent living units on a mixed tenure basis. The existing tenants would remain on site during the construction of the new scheme and the development is phased so as to cause minimum disturbance and inconvenience to the existing scheme residents. The scheme is at the pre-application stage and formal consultation is about to begin with residents and it is programmed that the construction will start on site in the Autumn of 2018.

### **Options for consideration**

10. Declining the grant would severely impact the affordability of both schemes, requiring funding to be found from other areas of the Housing Revenue Budget or potentially the schemes not proceeding.
11. The use of HCA grant has been included in the approved business cases for these schemes.

### **Reason/s for decision**

12. The Executive are asked to approve this recommendation in accordance with its constitution to enter into contracts.
13. It is a requirement of the HCA that this matter be considered by the Executive.

### **Council Priorities**

14. Entering into a contract with the HCA supports the Council's priorities in the following ways:
15. Houghton Regis Central and Crescent Court will provide significantly enhanced services to the residents and those using the community facilities that the schemes will provide.
16. Along with other new build projects Houghton Regis Central and Crescent Court will provide apprentice training and use local labour.

17. By their nature Houghton Regis Central and Crescent Court will improve the wellbeing of some of the most vulnerable members of society.
18. Houghton Regis Central and Crescent Court, as with Priory View will create stronger communities for those in the scheme and surrounding areas.
19. The grant has been awarded through a competitive process where the track record, plans and vision of the Council for Houghton Regis Central and Crescent Court, were independently judged by the HCA, as demonstrating (amongst other criteria) efficiency and responsiveness.

### **Corporate Implications**

20. The grant funding from the HCA enables the construction of Independent Living Schemes that enhance the quality of life for residents and users of the schemes.
21. Houghton Regis Central and Crescent Court support the Councils efficiency agenda in respect of Adult Social Care services.

### **Risk Management**

22. The main risk is the HCA's ability to reclaim grant if the funding conditions are not met. This risk is considered to be medium. The programme and financial management are being managed through the Housing Services Programme Board, as well as the corporate Capital Working Group and SCH&H Transformation Board. If both the schemes were not complete by March 2021, then funding might not be forthcoming. The timeframes for the schemes will not be fixed until a contractor is appointed.
23. There is significant risk in not accepting the recommendation, resulting in the grant not being available to the Council, which would significantly reduce the viability of the schemes.

### **Legal Implications**

24. The Council is required to provide an undertaking to comply with the HCA's funding requirements and enter into a formal arrangement, in order to ensure grant funding is secured for these projects. This will be in the form of a legal opinion letter signed by the Council's Solicitor, and application of the Council seal.

## **Financial and Risk Implications**

25. The development of Houghton Regis Central and Crescent Court are identified in the Housing Revenue Account (HRA) Capital Programme. The Council has secured grant funding of £5.61m from the Homes and Communities Agency (HCA) towards the cost of the scheme, the balance being funded from the HRA. If the HCA funding is not secured then the Council will need to make up the shortfall.

## **Equalities Implications**

26. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
27. The Grant must be applied to the provision of affordable housing within the designated scheme and dwellings must meet the HCA's Design & Quality Standards. These provisions will support the promotion of equality of opportunity.

## **Conclusion and next Steps**

28. Minutes of the Executive meeting will be sent to HCA as required to meet funding conditions.
29. Both Houghton Regis Central and Crescent Court will progress to the procurement and delivery stages.

## **Appendices**

None

## **Background Papers**

None

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