



# Doncaster Council

**To Deputy Mayor, Councillor Glyn Jones, Portfolio Holder for Housing and Equalities**

## **APPROVAL TO ENTER INTO THE 2016-21 FUNDING AGREEMENT WITH THE HOMES AND COMMUNITIES AGENCY, AND ACCEPTANCE OF GRANT FUNDING**

<b>Relevant Cabinet Member(s)</b>	<b>Wards Affected</b>	<b>Key Decision</b>
Portfolio Holder for Housing - Councillor Glyn Jones	Edlington and Warmsworth, Wheatley Hills and Intake, Balby South and Conisbrough	Yes

### **EXECUTIVE SUMMARY**

1. This report seeks approval to enter into a funding agreement with the Homes and Communities Agency (HCA) for the 2016 – 2021 Shared Ownership and Affordable Housing Programme (SOAHP) and to accept grant for the development of new Council Homes, through the Council House Build programme

### **EXEMPT REPORT**

2. N/A

### **RECOMMENDATIONS**

3. It is recommended that the Council enters into the 2016-21 SOAHP funding agreement with the HCA and accepts £4.962m currently awarded for the delivery of 136 Council Homes.
4. It is recommended to delegate to the Director of Regeneration and Environment, in consultation with the Portfolio Holder for Housing and the Chief Finance Officer & Assistant Director of Finance the decision to accept any additional grant awarded from the HCA for future schemes in accordance with the 2016-21 SOAHP Funding Agreement.

## WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

5. Residents of Doncaster will benefit from more affordable homes being built in the borough. These homes will be incorporated into the Housing Revenue Account (HRA) and will be allocated to those on the Housing Register via the Choice Based Lettings (CBL) scheme.

## BACKGROUND

6. Strategic Housing has delivered 214 new Council Homes on 18 sites across the borough, the size of these sites vary from 3 units to 57 units. A range of 1, 2, 3 and 4 bedroom homes have been built.
7. Delivery is currently taking place on 2 sites at Thorne and Wheatley that will see delivery of a further 114 homes. Construction will commence on the former Thompson and Dixon site at Edlington before the end of March 2018 where 20 older peoples bungalows will be built. The Council are purchasing 26 new homes at the former Askern Colliery site from Keepmoat, 16 of these homes will be delivered by the end of March 2018.
8. The majority of the units delivered through the Council House have been delivered with grant funding from the HCA 2015-18 affordable homes programme. The agreement was entered into in 2015, enabling the Council to accept grant from the HCA.
9. The Council are required to enter into an agreement with the HCA to access funding through the SOAHP 2016-21 programme. Through signing the grant agreement the following is acknowledged:
  - I. The Agency is empowered under Section 19 of the Housing and Regeneration Act 2008 inter alia, to make grants available to facilitate the development and provision of housing;
  - II. The Agency has agreed to advance grant funding to the Grant Recipient pursuant to the Agency's Shared Ownership and Affordable Homes Programme 2016-2021 (**SOAHP 2016/21**) to facilitate the delivery of certain affordable housing schemes subject to and in accordance with the terms of this Agreement;
  - III. The Grant Recipient has submitted a bid to the Agency for grant funding to assist the Grant Recipient in the construction of affordable housing;
  - IV. Grant paid by the Agency to the Grant Recipient pursuant to this Agreement is social housing assistance as defined in Section 32(13) of the Housing and Regeneration Act 2008;
  - V. The grant funding provided under the Agreement is (at its date) made in compliance with the requirements set out in the European Commission's Decision of 20 December 2011 concerning public

service compensation granted for Services of General Economic Interest (2012/21/EU).

10. The awarding of grant and draw down of funding is administered through the HCA's, Information Management System (IMS). Strategic Housing officers have individual accesses to the IMS system and adhere to the conditions outlined within the grant agreement and the HCA Capital Funding Guidance.
11. Grant is currently awarded in two parts when the following is recorded on IMS; start on site and practical completion. The grant is subject to audit from the HCA.
12. The Council has been successful in the following bids from the HCA as part of the SOAHP 2016-21 programme, however it is likely during the SOAHP 2016-21 programme that additional bids for funding will be submitted.

Site Name	Grant Awarded (£)	Expected Start on Site
Thompson Dixon Edlington	640,000	March 2018
Bristol Grove, Phase 2, Wheatley	1,600,000	January 2018
Warde Avenue, Balby	1,000,000	March 2018
Old Road, Conisbrough	1,722,000	March 2018
<b>TOTAL</b>	<b>4,962,000</b>	

## OPTIONS CONSIDERED

### 13. Option 1 – Preferred Option

**To enter into grant agreement with the HCA for delivery of affordable housing through the SOAHP 2016-21 programme. To accept the funding awarded of £4.962m for the delivery of 136 units through the Council House Build Programme. To note that any future funding allocation made from the HCA within the SOAHP 2016-21 programme, will be accepted through the approval process of that future scheme.**

**Delegate to the Director of Regeneration and Environment, (in consultation with the Portfolio Holder for Housing and the Chief Finance Officer & Assistant Director of Finance) the decision to accept any additional grant awarded from the HCA for future schemes in accordance with the 2016-21 SOAHP Funding Agreement .**

#### **Advantages**

- Provision of new build on the site will increase the size of the housing stock and choice in the area.
- Increased housing rental income for the Council.
- Positive impact on the housing waiting list.
- Delivery of a housing scheme on a cleared sites
- Financial benefits associated with having 136 additional units on the site which increases Council Tax returns and generates additional New Homes Bonus.

14. Option 2 - If the Council does not agree to enter into the SOAHP 2016-21 Grant Agreement with the HCA the financial requirement of the Council to deliver the anticipated units will be increased.

By accepting the grant, it enables more units to be built by combining the resources of the Council and those from the HCA.

#### REASONS FOR RECOMMENDED OPTION

15. The proposal would increase the provision of much needed modern energy efficient affordable new homes to help meet the housing needs of Doncaster Residents in these popular areas of the borough.

#### IMPACT ON THE COUNCIL'S KEY OUTCOMES

16.

	<b>Outcomes</b>	<b>Implications</b>
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Be a strong voice for our veterans</i></li> <li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li> </ul>	<p>Increasing Housing development in Doncaster, enabling growth and contributing to the Councils Assets.</p>
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	<p>Providing quality homes for the residents of Doncaster.</p>
	<p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	<p>Providing quality homes for families. The delivery of these units will provide quality housing and improvements to the local area.</p>
	<p>All families thrive.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li> </ul>	<p>Providing quality homes for families.</p>

	Council services are modern and value for money.	The Council will procure the delivery of the new build programme through the delivery frameworks available to them.
	Working with our partners we will provide strong leadership and governance.	The programme will be managed by the Council in accordance with its governance arrangements.

## **RISKS AND ASSUMPTIONS**

17. The Council have to adhere to the terms and conditions as outlined within the SOAHP 2016-21 grant agreement. Failure to do this could result in grant claw back from the HCA.

## **LEGAL IMPLICATIONS [Officer Initials...ND..... Date...08/12/17.....]**

18. Section 1 of the Localism Act 2011 provides the Council with a general power of competence, allowing the Council to do anything that individuals generally may do. Section 111 of the Local Government Act 1972 gives the Council the power to purchase goods and services.
19. S9 Housing Act 1985 provides the Council with powers to deliver social housing both through building new housing stock and by acquiring houses. The grant funding is to facilitate the provision of housing under this power.
20. The SOAHP funding is made available to the Council by the HCA under the Housing and Regeneration Act 2008 via the SOAHP funding agreement..
21. Legal services have advised on the contents of the funding agreement. Once the funding agreement is signed, the report author must ensure compliance with the terms and conditions of the funding agreement to avoid clawback of funding.
22. During the term of the funding agreement (2016-2021) application may be made by the Council to obtain funding for further projects. The process for the application process is documented within the funding agreement and is set out in associated guidance.

Further legal advice will be required as the project progresses

## **FINANCIAL IMPLICATIONS [Officer Initials...DH..... Date.....06/12/17.....]**

23. The Authority has been successful with its grant funding bids from the HCA under the 2016/21 Shared Ownership Affordable Housing Programme (SOAHP). The total amount of funding granted to-date under the 2016/21 programme is £4.96m as detailed below. The grant funding will be used to contribute to the overall financial viability of these schemes, in addition to the approved Housing capital resources earmarked for the delivery of future Council house new build schemes.

<b>Site Name</b>	<b>Grant Awarded (£m)</b>
Thompson Dixon Edlington	0.640
Bristol Grove, Phase 2, Wheatley	1.600
Warde Avenue, Balby	1.000
Old Road, Conisbrough	1.722
<b>TOTAL</b>	<b>4.962</b>

The following financial procedure rules applies to the grant funding:-

E.10 The Council may receive external funding after the budget for the year has been approved. Any new grant received in the financial year in excess of £50,000 unless there are conditions attached, will be classed as a corporate resource unless a business plan prepared by the relevant Director, in consultation with the relevant portfolio holder for Finance & Corporate Services, is approved by the Management Team within reasonable timescales agreed with the CFO.

E.11 The CFO in consultation with the respective Director, is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts. Directors are responsible for informing the CFO, promptly, about such funding and of any subsequent modifications to timing and amounts of anticipated funding.

E.12 Where the income is receivable against a grant claim, the respective Director is responsible for producing the grant claim and shall provide sufficient information to enable the claim to be signed by the CFO where it is appropriate.

The approval of any new schemes will be subject to the following rules:-

B.9 Relevant approval is required before a project can commence or commit to capital spend. New additions to the capital programme are approved in either the annual capital budget setting report or the quarterly monitoring report; which must be followed by a more detailed ODR.

B.10 If approval is required outside these times a project specific report will be needed, approved by CFO and relevant Director, in consultation with the relevant Portfolio Holder, unless key decision rules apply. These will then be included in the next quarterly monitoring report. With the exception that Council approval is required for new capital projects funded by more than £1,000,000 general uncommitted reserves.

B.11 Projects, once approved and included in the capital programme and which can be delivered within the project's approved budget are not subject to further key decision reporting. The only exception is that any project that involves a capital commitment of £1,000,000 or more requires the completion of an ODR for the approval of the relevant Director and CFO in consultation with the Portfolio Holder (Finance & Corporate Services) before a formal commitment is entered into or a contract signed.

**HUMAN RESOURCES IMPLICATIONS [Officer Initials...CR... Date...04/12/17..]**

24. There are no immediate HR implications arising from the approval of this report that seeks approval to enter a funding agreement with the HCA however, any future changes that impact on the workforce will require further HR engagement and would require separate approval.

**TECHNOLOGY IMPLICATIONS [Officer Initials...ET.... Date...06/12/17.....]**

25. No anticipated technology implications.

**EQUALITY IMPLICATIONS [Officer Initials...CJ..... Date...04/12/17.....]**

26. All of the Council's housing stock, managed by St Leger Homes will be allocated in line with their allocations policy to meet the individuals need.

**CONSULTATION**

27. The Housing Portfolio holder, the Director of Regeneration and Environment and St Leger Homes have been included as part of the on-going consultation throughout the design and feasibility stages of any of the Council House Build Sites.

**BACKGROUND PAPERS**

28. Bristol Grove Wheatley Cabinet 1<sup>st</sup> November 2016  
Provision of Adult Social Care housing in Edlington Cabinet 11<sup>th</sup> April 2017

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