



To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart
Report by: Alan Carter
Relevant scrutiny committee: Community Services 15/03/2012
Wards affected: All

Homes and Communities Agency Framework Delivery Agreement

1. Executive summary

In July 2011 Cambridge City Council was successful in securing grant funding from the Homes and Communities Agency (HCA) to build and manage Affordable Housing through a national bidding scheme. The Council was awarded £2,587,500 grant to deliver 146 dwellings before the end of March 2015. This equates to £17,500 per dwelling. The Council are now required to enter into the Framework Delivery Agreement (FDA) with the HCA to receive this grant funding on a dwelling-by-dwelling basis. Within the FDA are obligations the Council must adhere to.

2. Recommendations

The Executive Councillor is recommended:

- To delegate authority to the Director of Customer and Community Services to execute the HCA's Framework Delivery Agreement, committing the Council to the obligations under that agreement.
- To give approval for the Head of Strategic Housing to act as the Grant Recipient's Representative within the meaning of the HCA's Framework Delivery Agreement.

3. Background

In order for the Council to bid for funding from the HCA a number of sites were identified from the Three Year Affordable Housing Programme, to estimate the number of Affordable Housing dwellings deliverable by March 2015. It was estimated that the Council could deliver 146 Affordable Housing dwellings in this timeframe. It was assumed that overall the sites would provide 60% Affordable Housing, with the balancing 40% market housing to cross subsidise the Affordable Housing. The 146 dwellings or the 60% Affordable Housing is termed the Programme Offer in the FDA.

The Programme Offer includes both firm and indicative schemes. The only firm scheme currently in the Programme Offer is Seymour Court, which gained scheme specific approval from the Executive Councillor for Housing at the Community Services Scrutiny Committee meeting on 9 December 2010 and Planning Permission on the 14 December 2011. Therefore the rest of the Programme Offer comprises indicative numbers of dwellings. Each scheme in the Programme Offer will be brought back to Committee for scrutiny and approval of a final costed scheme before proceeding in line with current practice.

The financial modelling completed on the Programme Offer, to ensure it is financially viable, required £17,500 per dwelling grant, which equates to £2,587,500 grant funding from the HCA. The Council will also be required to borrow money under self-financing in order to deliver the 146 dwellings. The estimated borrowing requirement is £6.2 million until the end of March 2015.

A requirement for the Council to receive grant is that rents for the new dwellings will be charged at an Affordable Rent rather than a Social Rent. There are exceptions to this requirement and officers are currently in negotiations for rents at Seymour Court to be at social rent.

It will not be possible to sign the FDA until the Council becomes self-financing. Officers anticipate that the FDA will be able to be signed in April 2012, providing the Executive Councillor for Housing gives approval.

Obligations on the Council within the FDA include monitoring and reporting responsibilities, Programme Offer change management, open book obligations, transparency obligations, and record keeping and accounting obligations.

Within the FDA the Council must have a Grant Recipient's Representative, who will ensure that all information given to the HCA is accurate and that clauses within the FDA are adhered to. It is proposed that the Head of Strategic Housing is the Grant Recipient's Representative.

4. Implications

(a) Financial Implications

The £2,587,500 HCA grant funding will allow the Council to provide more Affordable Housing than achievable without this funding.

(b) Staffing Implications

The Enabling and Development Team will be required to project manage the sites in partnership with an external cost consultant (currently being

procured), and Keepmoat Ltd, the developer selected to take the Programme Offer forward with the Council.

There will be an impact on Legal Services when Development Agreements and Build Contracts need to be signed on a scheme by scheme basis, although these agreements will be very similar for each scheme.

There will be management implications for City Homes staff. The financial modelling allowed for a cost to be attributed to the project for increased management costs.

There will be maintenance implications for Repairs and Maintenance staff. The financial modelling allowed for a cost to be attributed to the project for increased maintenance costs.

(c) Equal Opportunities Implications

An Equality Impact Assessment (EIA) has not been carried out for this agreement. An EIA will be carried out for each and every scheme that receives funding under this agreement.

(d) Environmental Implications

All of the dwellings provided under this agreement will achieve at least level 4 of the Code for Sustainable Homes, therefore this will have a high positive climate change impact. However the FDA itself will have nil climate change impact.

(e) Consultation

Consultation has not been carried out with regards to the FDA but will be carried out for each and every scheme that receives funding under this agreement. A number of Member briefings have taken place over the last 12 months providing information on the HCA grant bid process.

(f) Community Safety

This report has no direct implications in respect of Community Safety however, as each scheme evolves consideration of its impact on the local community will be considered.

5. Background papers

These background papers were used in the preparation of this report:
HCA Framework Delivery Agreement

6. Appendices

None

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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