

Decision Maker: EXECUTIVE

**FOR PREDECISION SCRUTINY AT THE RENEWAL,
RECREATION AND HOUSING POLICY DEVELOPMENT AND
SCRUTINY COMMITTEE ON 26 JANUARY 2022**

Date: 9 FEBRUARY 2022

Decision Type: Non-Urgent Executive Key

Title: AFFORDABLE HOUSING PROGRAMME (AHP) 21-26 GRANT AGREEMENTS

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Chief Officer: Sara, Bowrey, Director of Housing, Planning, Property and Regeneration

Ward: Multiple

1. Reason for report

The Council has been allocated £37,959,000 grant funding as part of the Greater London Authority (GLA) Affordable Homes Programme 2021-2026. This report is seeking approval to enter into the Affordable Homes Programme 2021-2026 Grant Agreement with the GLA.

2. **RECOMMENDATION(S)**

That Members of the Renewal, Recreation and Housing Policy Development and Scrutiny Committee:

2.1 Review the content of this report and provide their comments to the Executive.

That Members of the Executive:

2.2 note the application and award for GLA grant funding under the Affordable Homes Programme 2021-2026 for sites to be developed as identified in this report.

2.3 agree the grant offer, and to enter into the Affordable Housing Programme 2021-2026 Grant Agreement with the GLA for those sites.

2.4 delegate authority to the Director of Housing, Planning and Regeneration in consultation with the Director of Finance to agree any changes to the Approved Grant as considered necessary in the interests of the Council

2.5 where the Council applies for further GLA grant in relation to funding for a future indicative scheme(s) under the Affordable Housing Programme 2021-2026 Grant Agreement, to delegate authority to the Director of Housing, Planning and Regeneration in consultation

with the Director of Finance to add that indicative scheme(s) as an Additional Project(s) as may be provided for within the terms of the Grant Agreement.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The recommendations support children and vulnerable people through the provision of housing supply
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Corporate Policy

1. Policy Status: Existing Policy: Housing Policy
 2. BBB Priority: Quality Environment Safe Bromley Supporting Independence Vibrant, Thriving Town Centres Regeneration
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £10.3m (total GLA grant in the current approved capital programme in respect of 5 approved housing schemes)
 5. Source of funding: GLA grant
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Personnel

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: None
 2. Call-in: Applicable
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Procurement

1. Summary of Procurement Implications: N/A
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected):
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Ward Councillor Views

1. Have Ward Councillors been asked for comments?
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 As set out in the Housing Strategy 2019 - 2029, the Council faces severe housing pressures and is considering how to deliver more affordable homes and more cost-effective options for temporary accommodation. Provision of good quality, value for money temporary and affordable accommodation in the borough is essential if the Council is to reduce the current pressures on its revenue budget and manage future demand for services.
- 3.2 For Bromley, like most London Boroughs one of the most significant long-term pressures is the impact of homelessness and provision of temporary accommodation. Within the London Borough of Bromley, there are approximately 1,800 households in Temporary Accommodation (TA), of which approximately 1,100 households are in costly forms of nightly paid TA. This puts a continued strain on the Council's revenue budget, as well as providing unsecure homes for residents, which impact upon individual's wellbeing and general prosperity.
- 3.3 The Council also faces additional housing pressures since the adoption of the London Plan in March 2021, as this sets a higher annual housing target. All sites are expected to deliver 50% affordable housing, a target only previously set for Council owned land.
- 3.4 To support the need for affordable housing and as part of the Transformation Agenda, the Executive resolved to reopen the Housing Revenue Account (HRA) (Report ref: CSD20076) and has commenced developing its housing stock.
- 3.5 The establishment of the HRA gives the Council access to a greater quantum of GLA grant funding through Homes for Londoners, if the Council holds homes in the General Fund there is maximum that can be held and with Secretary of State Approval.
- 3.6 Officers have previously reported progress on the Housing Delivery Programme to Members (Report ref: HPR2020/024) and in this report funding was agreed to develop a number of sites further to assess their feasibility and suitability as housing projects. The background to the Phase two sites can be found in the Transforming Bromley: Approach to Building Homes Update (Report ref: HPR2021/008). The Council is currently bringing forward its live Phase One sites as part of the Building Council Homes for Londoners Programme and an update was presented to Members in June 2021 (Report ref: HPR2021/037). These sites include Burnt Ash Lane, Bushell Way and Anerley, which are programmed to reach practical completion within the coming months. A further update is also provided to this committee.
- 3.7 This report sets out the Affordable Homes Programme 2021-2026 Grant Agreement. The Council has been awarded a total funding allocation of £37,959,000 under the Affordable Homes Programme 2021-2026. This is a capital grant to support affordable housing delivery and includes an allocation of £28,194,000 for up to 12 Phase Two sites and an allocation of £9,765,000 for up to seven Phase Three sites.

4. TERMS OF THE GRANT AGREEMENT

- 4.1 The Grant Agreement makes available the Allocated Net Grant of £37,959,000 to the Council. This is the maximum amount of grant payable by the GLA to the Council for indicative proposals under this specific agreement, referred to as both Named and Indicative Projects.

- 4.2 As set out in the terms of the Grant Agreement, Named and Indicative Projects must be uploaded onto the GLA Open Project System (OPS), the GLA's online investment management system.
- 4.3 The Council's delivery obligations are set out in the Grant Agreement but broadly include for each Named Project to carry out the acquisition of the Site (where applicable), procure and diligently pursue the completion of the Works.
- 4.4 A Named Project refers to each project for the development of AHP Dwellings as has been fully detailed in OPS and accepted by the GLA through OPS as a Named Project. This includes any Named (Indicative) Projects. The Council must provide details onto the OPS which include anticipated Development Costs and Milestones agreed with the GLA to include Acquisition, Start on Site and Practical Completion.
- 4.5 Payment of the Grant will be made by the GLA subject to successful application for each Milestone payment, including the Acquisition Tranche Grant, Start on Site Tranche Grant, and the Practical Completion Tranche Grant, for each Named Project.
- 4.6 The Council is not bound by the Grant Agreement to deliver the full quantum of Named and Indicative sites which are included within the approved bid. If the Council is unable to fulfil its delivery obligations with regards to a site, the GLA without determining the whole of the Grant Agreement will terminate the Agreement in so far as it relates to the Named Project to which the Project Default relates.
- 4.7 It should therefore be noted that each Named and Indicative site will require Executive approval and a report will be brought forwards at the relevant time. The development of each site will be subject to planning permission being granted by the Development Control Committee
- 4.8 Additional Projects may be added to the agreed Named and Indicative Projects. Additional Projects must be agreed by both the Council and the GLA.

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5. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 5.1 The recommendations support children and vulnerable people through the provision of housing supply.

6. POLICY IMPLICATIONS

- 6.1 This work supports the Council's Housing and Homelessness strategies and the Regeneration strategy 2020-2030

7. FINANCIAL IMPLICATIONS

- 7.1 To date the Council has approved capital schemes for 5 sites with a total of £10.3m GLA grant funding allocated towards these. Further details of these schemes are included in the "House Building Programme" report elsewhere on the agenda.
- 7.2 There are no immediate financial implication arising from the recommendations in this report; future reports to Members will set out the details of individual housing delivery schemes and request their addition to the Capital Programme and provide details of the proposed financing arrangements including the use of the GLA grant covered within this report.

8. LEGAL IMPLICATIONS

- 8.1 The recommendations in this report are seeking authority from the Executive
- i) note the application and award for GLA grant funding under the Affordable Homes Programme 2021-2026 for sites to be developed as identified in this report.
 - ii) agree the grant offer, and to enter into the Affordable Housing Programme 2021-2026 Grant Agreement with the GLA for those sites.
 - iii) delegate authority to the Director of Housing, Planning and Regeneration in consultation with the Director of Finance to agree any changes to the Approved Grant as considered necessary in the interests of the Council
 - iv) where the Council applies for further GLA grant in relation to funding for a future indicative scheme(s) under the Affordable Housing Programme 2021-2026 Grant Agreement, to delegate authority to the Director of Housing, Planning and Regeneration in consultation with the Director of Finance to add that indicative scheme(s) as an Additional Project(s) as may be provided for within the terms of the Grant Agreement
- 8.2 The report makes it clear that a decision to implement a project Site will be subject to the satisfactory progress of each Site towards final implementation which will be the subject of further reports and approvals. This is contemplated and accommodated within the GLA Grant terms ,conditions and management processes.
- 8.3 Whilst it is acknowledged that all Grant Agreements impose terms and conditions and obligations on the Grant recipient, the Council will nevertheless need to adhere and comply with all the GLA requirements accordingly. The terms and conditions of this GLA Grant would appear to be manageable and not unduly onerous. It is important to understand how the grant terms and conditions and processes operate including the Affordable Housing Capital Funding Guide. The legal department is to be contacted with any specific issues that are not clear and for any clarification sought.

9. PROCUREMENT IMPLICATIONS

- 9.1 No specific procurement requirements identified in this report at this time. Any specific projects will be subject to separate decision-making processes.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	HPR2022/006 HPR2021/037 HPR2021/008 HPR2020/024