

MUNICIPAL YEAR 2018/2019 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:

Director Finance

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Agenda – Part: 1

KD Num: KD4804

Subject:

Application for the Council to Enter into Grant agreement with the Greater London Authority for BCHfL

Wards: All

1. EXECUTIVE SUMMARY

- 1.1 This report seeks permission for the Council to enter into contract with the Greater London Authority (GLA) for the Building Council Homes for Londoners (BCHfL) programme.
- 1.2 The Council is currently delivering a number of large housing schemes and through the GLA's Affordable Homes Programme have been successful in securing funding under the Building Council Homes for Londoners programme to support new housing opportunities in the borough.
- 1.3 To secure this funding the Council will need to enter into a grant agreement with the GLA. This will allow the Council to draw down the grant funding from the GLA to deliver affordable housing.
- 1.4 Entry into this Grant Funding Agreement will not commit the Council to any expenditure or incur any penalties – however it will enable the Council to obtain any additional funding that may be secured under this programme.

2. RECOMMENDATIONS

It is recommended that The Director Finance in consultation with Executive Director of Place and the Cabinet Member for Housing:

- 2.1 Authorises entering into the grant agreement with GLA on behalf of the Council to draw down funding secured under the Building Council Homes for Londoners programme, on the terms set out in the Grant Funding Agreement attached at Appendix A.

3. BACKGROUND

- 3.1 In 2013 the Council's application to obtain Investment Partnership Status with the GLA was successful.

Obtaining this status allowed the Council to submit bids for different funding programmes the GLA make available.

KD4747 approves the council submitting a bid to the GLA for housing grant, additional headroom and ringfencing right to buy receipts.

We have been allocated £18,108,000 of funding under the BCHfL programme. In order for the Council to receive this funding, we will need to enter into contract with the GLA.

4. ALTERNATIVE OPTIONS CONSIDERED

Failure to sign the agreement will result in a loss of grant and affordable housing for the borough

5. REASONS FOR RECOMMENDATIONS

Authorising the Council to enter into the contract with the GLA will enable the council to draw down money as the required milestones are achieved on schemes that have secured funding under this programme.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

Enfield were successful in bidding for £18m of GLA Affordable Housing grant over the next 3 years. The grant will enable Enfield to deliver affordable homes that start on site by March 2022. The grant allocation is £100k per home for social and affordable rent and £38k per home for shared ownership in 2019-20 and £28k in 2020-21 and 2021-22.

Rents can be at social rent or the London Affordable Rent. The new London Affordable Rent cap will be introduced from April 2019 to ensure the Council's Affordable Rent policy is in line with the London Affordable Rent cap.

6.2 Legal Implications

6.2.1 The Council has the general power of competence under Section (1) of the Localism Act 2011 to do anything that individuals may generally do provided it is not prohibited by legislation. There is no express prohibition, restriction or limitation contained in a statute against use of the power in the way envisaged by the matters in this Report.

6.2.2 The GLA has designed their Building Council Homes for Londoners funding scheme to be State Aid compliant.

6.2.3 The Council must comply with the terms of any agreement entered into with the GLA arising from the recommendations in this report. All contracts or agreements arising out of the matters outlined in this Report will need to be approved in advance by Legal Services.

6.2.4 The draft Grant Agreement attached to this Report is a GLA standard Agreement and usually the GLA will not agree to any substantive amendments to their standard form of Grant Agreement

6.2.5 The Council will need to comply with the terms of its Constitution, in particular the Contract Procedure Rules (CPR) when procuring contractors to build new homes. In the event that it is intended to use the GLA funding to provide grants to individuals or contractors, further legal advice should be sought to ensure that there are no State Aid consequences of such a use of funding.

Legal Implications provided by Lynn Shepherd 18.12.2018 and 19.12.2018
Based on a Report circulated on 11.12.2018 and on 19.12.2018

7. Property Implications

There are none.

8. KEY RISKS

There are no risks associated with the Council entering into contract with the GLA. However, should the Council fail to deliver on these projects within the programme delivery dates, the GLA could withdraw the funding.

9. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good homes in well-connected neighbourhoods

Supporting development of new housing will enable the Council to increase the portfolio and quality of stock it has to discharge its statutory housing responsibility to households that live in the Borough.

8.2 Sustain strong and healthy communities

Any increase in the provision of housing within the Borough is likely to make a positive contribution to strengthening communities.

8.3 Build our local economy to create a thriving place

Developing good quality housing in areas where people desire to live will help to create and maintain strong sustainable communities.

9. EQUALITIES IMPACT IMPLICATIONS

The submission of this application will not of itself lead to any equalities impact implications. However by entering into contract with the GLA will show confidence in the Council and will lead to the Council being able to bid for any future funding to deliver affordable housing, this in turn will have a positive impact for people less able to afford to provide their own housing solutions within the Borough.

10. PERFORMANCE AND DATA IMPLICATIONS

There are none.

11. PUBLIC HEALTH IMPLICATIONS

The submission of this application will not of itself lead to any public health implications.

Background Papers

Appendix A - Template GLA Grant Funding Agreement.