

Decision Pathway Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 2nd April 2019

TITLE	Affordable Housing Funding Policy 2019		
Ward(s)	Citywide		
Author:	Tim Southall	Job title: Housing Strategy and Enabling Manager	
Cabinet lead:	Councillor Paul Smith	Executive Director lead: Colin Molton	
Proposal origin: BCC Staff			
Decision maker: Mayor			
Decision forum: Cabinet			
Purpose of Report: To support the delivery of affordable housing through adoption of Affordable Housing Funding Policy 2019			
Evidence Base: The Housing Delivery Plan, approved in March 2017, recognised that urgent action was needed to address the growing affordable housing requirements in Bristol by making a number of key interventions including a major affordable housing funding programme of £57m. To date in the first eighteen months £13.1m has been allocated to Housing Associations (also known as Registered Providers or RPs) in Bristol to deliver 302 affordable rented homes. 46 affordable rented homes have already been completed and let through this programme and a further £5m committed to a Homelessness project. The programme has the potential to provide a further 530 affordable rented homes through housing associations and if it is agreed to extend the programme - through community led housing organisations			
Cabinet Member / Officer Recommendations: To agree to adopt the revised Affordable Housing Funding Policy.			
Corporate Strategy alignment: The Affordable Housing Funding Policy ("AHF") aligns with Corporate Strategy commitments to creating a fairer more equal city for everyone and seeks to address inequalities, unemployment and poverty in the city through access to warm, secure affordable homes –to achieve a higher quality of life. A priority for the city is finding innovative ways of increasing the availability and affordability of a range of housing types and creating mixed and balanced communities where people want to live and work by building 2000 new homes, of which 800 are affordable, in Bristol each year by 2020.			
The current policy allows the following types of funding exclusively with non-profit making Homes West registered providers ("RP") partners:			
<ol style="list-style-type: none"> 1. BCC Grant funding for affordable rent for 100% Affordable Housing ("AH") schemes for affordable rent (within Local Housing Allowance ("LHA") limits) 2. BCC Grant funding per bed space for rented housing schemes that help BCC deliver Better Lives at Homes objectives, housing needs of older people, people with learning disabilities, people with mental health etc 3. Partnership funding (BCC and Homes England) with BCC grant to support affordable rent (within LHA limits) 4. Partnership funding (BCC and Homes England) to acquire units (over and above s106 AH units) from private developers 			
The new policy extends grant eligibility to other non-profit making housing organisations including Community Land Trusts ("CLT") and community led housing ("CLH") organisations and increases grant levels. It proposes new supplementary grants to assist all organisations: incorporate heat networks and sustainability measures, adopt modular homes and increase wheelchair user accommodation.			
<ol style="list-style-type: none"> 1. BCC Grant funding for affordable rent and social rent (within LHA limits) principally on private sites (however will consider BCC and Homes England sites) to RPs, CLT and CLH 2. Partnership funding (BCC and Homes England) to acquire units for affordable rent and social rent (over and above s106 AH units) from private developers and existing satisfactory homes from private owners to RPs, 			

CLT and CLH

3. BCC grant for shared equity homes specifically for CLTs and Community led Housing organisations
4. BCC supplementary grants to encourage RPs, CLT and CLH to develop accommodation for wheelchair users
5. BCC supplementary grants to assist RPs, CLT and CLH meet the Heat Network and other sustainability requirements
6. BCC supplementary grants to encourage RPs, CLT and CLH to develop modular homes to support Bristol Housing Festival

City Benefits: Good quality affordable housing will help create greater equality of opportunity and quality of life and contribute to creating a mixed and balanced community with a strong sense of place and liveable environment, can help benefit mental and physical health, social interaction and security.

Consultation Details Following the Homes West Bristol meeting on 22nd January a questionnaire was sent to RP partners. The responses received are included in Appendix B detailing the revisions made to the AHF Policy in response to this feedback. Homes England welcomes the opportunity to work with Bristol City Council to increase the affordable housing supply and the inclusion of Community Land Trust and Community Led Housing as a potential recipient of BCC affordable housing funding. Homes England has made detailed amendments to this Policy document

Revenue Cost	£ nil	Source of Revenue Funding	Administration of grants is met out of existing staffing budgets
Capital Cost	£57m (£18m committed expenditure, inc £5m for Homeless Fund).	Source of Capital Funding	Existing budget – prudential borrowing

One off cost Ongoing cost

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice: Affordable Housing has an allocation in the approved capital programme. The proposed extension will enable a wider range of grant funded to be supported

Finance Business Partner: Paul Cook, 5 February 2019

2. Legal Advice:

The 2010 general consents under section 25 of the Local Government Act 1988 (Local Authority assistance for privately let housing) permits local authorities to provide “any person” with financial assistance for:

“... the acquisition, construction, conversion, rehabilitation, improvement, maintenance or management (whether by that person or by another) of any property which is or is intended to be privately let as housing accommodation”

Financial assistance includes making a grant to that person.

The Public Contracts Regulations 2015 (“PCR”) do not apply to grant awards and there is therefore no requirement that the Council undertakes a competitive procurement process when making the awards. It is important that the grant agreement with each provider does not impose any conditions which would make the arrangement a contract for works/services, and therefore potentially covered by the PCR.

Grant awards can amount to state aid and more detailed advice on this will be required on a case by case basis, as particular projects and initiatives come forward, in order to ensure compliance with state aid rules. In addition it is important that the Council has a clear audit trail for the grant award decisions and a robust monitoring process eg to ensure that the grants do not constitute over-compensation.

Legal Team Leader: Eric Andrews, 5 March 2019

3. Implications on IT: There are no identifiable IT implications in this report.

IT Team Leader: Ian Gale, 14 February 2019

4. HR Advice: No HR implications evident		
HR Partner: Celia Williams, 25 th February 2019		
Background Documents: Cabinet Paper -Housing Delivery Plan March 2017, Affordable Housing Funding Policy 2019 (attached as Appendix A)		
EDM Sign-off	Colin Molton	6 February
Cabinet Member sign-off	Councillor Paul Smith	11 February
For Key Decisions - Mayor's Office sign-off	Mayors Office	4 March
Appendix A – Further essential detail on the proposal: Affordable Housing Funding Policy 2019 with changes from earlier document highlighted in yellow.		YES
Appendix B – Details of consultation carried out - internal and external BCC Response to Homes West Feedback		YES
Appendix C – Summary of any engagement with scrutiny		NO
Appendix D – Risk assessment		NO
Appendix E – Equalities screening / impact assessment		YES
Appendix F – Eco-impact screening/ impact assessment – Nicola Hares - Checklist attached		YES
Appendix G – Financial Advice – (see above for response) Paul Cook, the Finance Business Partner as member of the AHFP Project Group and evaluation panel provides specialist financial advice to grant applications.		NO
Appendix H – Legal Advice – (see above for response) Kate Fryer, the Legal Partner is a member of the AHFP Project Group responsible for drafting the funding agreements and providing legal advice and support. Legal Advice from Eric Andrews included above		NO
Appendix I – Exempt Information: Performance Review of AHF Policy 2017-19		YES
Appendix J – HR (see above for response)		NO
Appendix K – ICT (see above for response)		NO

