

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 23 February 2022
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Report title	Homes England Affordable Homes Programme 2021 – 2026 Grant Agreement.	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Bhupinder Gakhal City Assets and Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	John Roseblade, Interim Director of City Housing and Environment	
Originating service	Housing Development	
Accountable employee	Lee Wheeler	Consultant Housing Development Manager
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Report to be/has been considered by	City Housing and Environmental Leadership Team	1 February 2022
	Cabinet Member Briefing	9 February 2022

Recommendations for decision:

The Cabinet is recommended to:

1. Approve the Council entering into the standard form Homes England Grant Agreement (local Authority) in relation to the Affordable Homes Programme 2021-2026 for Continuous Market Engagement.
2. Delegate authority to the Cabinet Member for City Assets and Housing in consultation with the Director of City Housing and Environment to approve any grant funding applications and claims made under the Affordable Homes Programme as part of the Continuous Market Engagement process.

1.0 Purpose

- 1.1 The report requests approval for the Council to enter into the standard form Homes England Grant Agreement (local Authority) in relation to the Affordable Homes Programme 2021-2026 for Continuous Market Engagement. The Grant Agreement is for the new Homes England 2021-2026 grant funding round superseding the Shared Ownership and Affordable Homes Programme 2016 -2021.
- 1.2 The delegated authority to the Cabinet Member for City Assets and Housing in consultation with the Director of City Housing and Environment to approve any grant funding applications and claims made to the Affordable Housing programme through the Continuous Market Engagement process. Supporting the continued delivery of affordable housing across the City of Wolverhampton.
- 1.3 To maintain the Council's Homes England Investment Partner status, enabling the Council continued access to grant funding for its affordable housing priorities in the city.

2.0 Background

- 2.1 The Council is an existing Investment partner working in partnership with Homes England providing high quality housing in the City. The Council has previously secured grant funding as part of the Shared Ownership and Affordable Homes Programme 2016-2021.
- 2.2 The Council has been successfully securing grant funding as part of the existing Continuous Market Engagement (CME) process, for its affordable housing delivery in the City.
- 2.3 The Government announced on 31 August 2021 a new larger, £11.5 billion Affordable Homes Programme 2021-26 (AHP). The new program includes funding for social rent, supported housing, and a renewed commitment to delivering homes using modern methods of construction (MMC). The Affordable Homes Programme plans to deliver 180,000 new homes including:
 - 50% of homes at a discounted rent, including affordable rent and social rent in areas of high affordability challenge.
 - 50% of affordable home ownership including a majority of shared ownership.
 - 10% of homes to provide supported housing.
 - 10% of homes in rural areas.
 - 25% of homes delivered through Strategic Partnerships using MMC.
- 2.4 The Council is required to enter into the new Affordable Homes Programme 2021-2026 Grant Agreement to maintain the Council's ability to submit funding applications and draw down funds supporting the delivery of affordable housing in the City.

3.0 Progress, options, discussion, etc.

- 3.1 Discussions have been ongoing with Homes England's Growth Team, identifying opportunities that will be submitted for funding as part of the Affordable Homes Programme 2021-2026 Continuous Market Engagement process. Several sites have been identified and funding applications are pending the completion of Affordable Housing Programme 2021-26 Grant Agreement.

4.0 Evaluation of alternative options

- 4.1 The Council is an Investment partner with Homes England, and thus eligible for funding through its funding programmes. The securing of funding through Homes England supports the Council's aspirations in meeting its Better Homes for All and More and Better Homes strategic objectives. Council's officers will continue to make applications for all Local and Central Government funding streams in support of its development strategic objectives.

5.0 Reasons for decision(s)

- 5.1 The Council is required to enter into the Affordable Homes Programme 2021-2026 Grant Agreement for its continued eligibility for grant funding. The securing of grant funding supports the Council's objectives within the Council's Plan, in delivering new affordable housing in the City.

6.0 Financial implications

- 6.1 Any successful funding claims will support the development of affordable housing in the city in line with the Housing Strategy and as approved in the Housing Revenue Account capital programme for new build development
- 6.2 The value of any grant funding allocated to the Council will be dependent on Homes England's approval process on a case-by-case basis.
[JM/26012021/D]

7.0 Legal implications

- 7.1 The Affordable Homes Programme 2021-2026 Grant Agreement is a non-negotiable standard form agreement, Legal advice has been taken and any comments have been noted and the legal implications remains the responsibility of the accountable officer(s).
[TC/25012022/C]

8.0 Equalities implications

- 8.1 Entering the Affordable Homes Programme 2021-2026 Grant Agreement will support the continued delivery of new affordable rented units to the Council's stock, providing additional housing opportunities managed through the choice-based lettings programme.

- 8.2 The Affordable Homes programme supports the delivery of shared ownership properties that are eligible for purchasers to purchase new properties in the City.

9.0 All other implications

- 9.1 Delivering new homes through the Affordable Housing Programme will deliver much needed affordable homes that will be built to a high standard in terms of thermal insulation and energy efficiency to meet the required building standards.
- 9.2 All new affordable housing supported by Affordable Housing Programme will supplement the existing housing stock and will be managed by Wolverhampton Homes.
- 9.3 The human resources implications will be managed within the Housing Services team.
- 9.4 The outbreak of Coronavirus (COVID-19) declared by the World Health Organisation as a 'Global Pandemic' on 11 March 2020 has impacted on global financial markets. The housing market may see an increase in demand for affordable housing and low-cost home ownership due to changes in resident's financial position as a result of COVID-19.

10.0 Schedule of background papers

- 10.1 [HRA Business Plan](#) Cabinet report – 19 January 2022