


<b>Commissioner Decision Report</b> 2 <sup>nd</sup> December 2015	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Aman Dalvi, Corporate Director Development & Renewal	<b>Classification:</b> Unrestricted
<b>A Local Affordable Housing Grant</b>	

<b>Originating Officer(s)</b>	Jackie Odunoye
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	YES
<b>Community Plan Theme</b>	A Great Place To Live

### Executive Summary

- 1.1. The Council has accumulated significant retained receipts from the disposal of properties under Right to Buy (RTB) legislation. These must be used for the provision of new social housing in accordance with the terms of the agreements that the Council has entered into with the Communities and Local Government (CLG) Department.
- 1.2. It is proposed that the Council set up a Local Affordable Housing Programme funded by retained RTB Receipts under which Registered Providers will be able to apply for grant funding to assist with their affordable housing programmes. This will contribute significantly to the Council's programme delivery in a timely manner. The Council would not be procuring the works, nor the services and would not be owning or purchasing the units, and the funding will be spent with the RPs on an as costed basis so the funding of affordable housing in the RP sector in this manner would constitute a grant to the Registered Providers.
- 1.3. The grant will be a maximum of 30% of total scheme costs for affordable rent new build or leasehold buy-backs. This is to reflect the Treasury requirement that a maximum of 30% of RTB receipts can be applied to the financing of schemes. The RPs will be required to raise the remainder of the funding.

### Recommendations:

The Commissioners are asked to agree the following recommendations:

1. that **£7.06m** of retained RTB receipts be used for a Local Housing

Affordable Grant Programme for Housing Resources and Capital Delivery for the years 2016-20 as per the budget allocation decision of Cabinet dated 12<sup>th</sup> October 2015

2. that the criteria for the grant will be as set out in paragraph 3.9. of this report and Schedules One and Two of the Appendices.
3. that an Affordable Housing Grant Panel be set up under the Corporate Director, Development & Renewal for the purpose of assessing development proposals, reviewing bids for grant funding and making recommendations for the award of grant
4. that the decision to award scheme grants is delegated to the Corporate Director, Development & Renewal, who will be required to report the decisions to the Executive Members for Housing and Regeneration and to the Mayor at the Cabinet meeting immediately following the decision.

## **1. REASONS FOR THE DECISIONS**

- 1.1 The report presented to Cabinet on 28<sup>th</sup> July 2015 set out the issues arising from recent government announcements. The most recent policy announcements were made in July 2015 as part of the government's Summer Budget (July 8<sup>th</sup> 2015) and are projected to have a profound long-term impact on both Local Authority HRAs and Registered Providers. The main announcement was that, from April 2016, social rents will be cut by 1% for four years.
- 1.2 The Council has accumulated significant retained receipts from the disposal of properties under Right to Buy legislation. These must be used for the provision of new social housing in accordance with the terms of the agreements that the Council has entered into with the DCLG. The RTB receipts accumulated by the Council are referred to in paragraph 3.2. The market conditions are such in Tower Hamlets that these are likely to continue increasing for the foreseeable future. The conditions for the use of these receipts prevent the Council from using them in the course of usual business, in maintaining existing properties, including in regeneration schemes. One-for-one RTB receipts can only be used to fund up to 30% of the cost of rented affordable units.
- 1.3 The impact of these two factors on the Housing Revenue Account (HRA) were detailed in the July 2015 Cabinet Report on the HRA and a strategy was

outlined in order to address it. A subsequent report was presented to the Mayor in Cabinet in October 2015. That report sets out a three part programme and introduces new approaches alongside the traditional house building approach. The Council is seeking to meet the deadline for the expenditure while at the same time targeting client groups who have a specific housing need.

- 1.4 In addition, the government's proposal to extend the RTB to housing association tenants is intended to be partly funded through the sale of high value Council housing assets. The stated intention is that local authorities will sell their high value stock when it becomes void, and that an element of the resulting receipts will be used to provide compensation to housing associations. The impact of these policies is likely to have an adverse effect on the Council's capital programme; in the light of this a prudent approach includes making best use of existing retained RTB receipts in order to maximise the possibility of achieving the Council's outcomes for affordable housing.

## **2. ALTERNATIVE OPTIONS**

- 2.1 Doing nothing has been considered, However, whilst in the short term it would remove the pressure on the HRA, it would then result in the Council having to return RTB receipts to central government with interest (*compounded 4% above base rate*), in line with the conditions of usage set down by the DCLG. Therefore, this scheme could be considered to be an efficient use of the current available resources.
- 2.2 In considering whether to return the RTB receipts to central government, the Council has the duty to consider not only the financial impact on the HRA but also the provision of affordable housing, the acute housing need in the borough, and service enhancements made possible through the use of the RTB Receipts. Giving up the one-for-one RTB receipts would imply that the Council would not take the opportunity of exercising greater control over the provision of affordable housing. Instead, funding affordable housing delivery by the housing association sector allows the Council to target its own priorities, without the restraints of the conditions of GLA grant and of the requirements of the HCA Capital Guide.

### 3. DETAILS OF REPORT

- 3.1. On 17 December 2014, the Secretary of State made directions ('2014 Directions') in relation to the Council pursuant to powers under section 15(5) and (6) of the Local Government Act 1999. Those directions are in place until 31 March 2017. The 2014 Directions provide that 'all functions the Authority exercises relating to the making of grants under any statutory power or duty', which includes any grants pursuant to section 1 of the Localism Act 2011 ( but excluding the Disabilities Facilities Grant) are to be exercised by the Commissioners. Accordingly the setting up and administering of the Local Affordable Housing Grant Programme scheme requires a decision by the Commissioners.
- 3.2. The Council has accumulated significant retained receipts from the disposal of properties under Right to Buy legislation. These must be used for the provision of new social housing in accordance with the terms of the agreements that the Council has entered into with the DCLG. The conditions for the use of these receipts prevent the Council from using them in the course of usual business, in maintaining existing properties, including in regeneration schemes. The Treasury also prevents their use in combination with HCA/GLA grant funding and additional borrowing specifically granted by central government under the Local Growth Fund. One-for-one RTB receipts can only be used to fund up to 30% of the cost of rented social or affordable units.
- 3.3. The borough holds a total of £29.9m RTB receipts (one-for-one retained receipts) to be spent by Quarter one of 2018/19, requiring a total spend of £99.8 million on replacement social housing.

RTB Sales	Quarter Received	Retained one for one Receipts (30%) £	Spend needed on social housing £	Spend Deadline	Council resources needed (70%) £	Cumulative spend needed on social housing £
1	2012/13 – Q1	-	-	-	-	-
2	Q2	-	-	-	-	-
2	Q3	-	-	-	-	-
7	Q4	-	-	-	-	-
1	2013/14 – Q1	-	-	-	-	-
13	Q2	-	-	-	-	-
26	Q3	1,503,000	5,010,000	31/12/16	3,507,000	5,010,000
46	Q4	3,508,000	11,693,000	31/03/17	8,185,000	16,703,000
50	2014/15 – Q1	3,480,000	11,600,000	30/06/17	8,120,000	28,303,000

RTB Sales	Quarter Received	Retained one for one Receipts (30%) £	Spend needed on social housing £	Spend Deadline	Council resources needed (70%) £	Cumulative spend needed on social housing £
51	Q2	4,246,000	14,153,000	30/09/17	9,907,000	42,456,000
86	Q3	7,065,000	23,550,000	31/12/17	16,485,000	66,006,000
68	Q4	6,115,000	20,383,000	31/03/18	14,268,000	86,389,000
49	2015/16 – Q1	4,024,000	13,413,000	30/06/18	9,389,000	99,802,000
78	Q2	6,660,000	22,222,000	30/09/18	15,540,000	122,024,000
<b>480</b>		<b>36,601,000</b>	<b>122,024,000</b>		<b>85,401,000</b>	

Table 1. – Current level of RTB one-for-one receipts and Council contribution needed

- 3.4. On 12<sup>th</sup> October 2015 the Mayor in Cabinet approved a capital programme to address the issues around the accumulated Right To Buy Receipts and the conditions for their expenditure. This included a range of measures, one of which was the provision of £7.06m to Registered Providers towards the delivery of affordable housing units for rent for letting to housing applicants on the Council’s Housing Waiting List.
- 3.5. It is proposed that the Council set up a Local Affordable Housing Grant calling on RPs active in the borough to use the grant
- in the construction of new homes on land acquired by the RPs
  - in the construction of new affordable homes on land owned by the Council which will be disposed at best consideration
  - in the acquisition of properties either on the open market or of leasehold buybacks (this would apply to previously transferred estates) whereby the RPs would buy back the dwelling and offer the nomination rights to the Council instead of building a new unit.
- 3.6. For the schemes to count towards the Council Right To Buy Receipts spend, the units must be built or acquired and the money defrayed. In addition, the government guidance reminds Authorities that the one for one receipts must have been spent by the required deadline. In the event that RPs within the borough failed to spend sufficient sums, or do not spend by the required deadlines, the Authority would be liable for any interest arising from a failure to spend in line with the Right to Buy agreement. In order to spread risk between the RPs and the Council and to make it attractive to RPs, it is proposed that the allocations are subject to review and to a clawback mechanism. Scheme allocations which do not project to meet the deadline of spend will be reallocated to other schemes to enable a full spend within the required timescale to spend RTB receipts before their maturity. Schemes that

keep to their delivery outputs and time-table will not be liable to have their funding withdrawn.

- 3.7. The sum of £7.06 million represents a 30% one for one contribution towards RP schemes, therefore the total amount of replacement social housing that could be delivered would be £23.550 million, which represents the amount of total spend required by the end of December 2017.

### **3.8. Added Value**

- 3.8.1. In considering outsourcing part of the RTB Receipts Programme to RPs, the enhanced benefits of bringing in a third party must include the outputs. The programme must produce something which is greater than which the Council can achieve by itself.
- 3.8.2. The context of affordable housing is rapidly changing; the current Housing Bill redefines affordability as an ownership product. In this context, any scheme which includes affordable rented housing units is an additional benefit as the Council will no longer be able to impose the provision of Affordable Rented units to developers.
- 3.8.3. Currently, the Council benefits from nominations to Affordable Rented units under Section 106 Agreements. If a grant is considered, it must be in order to make a scheme viable where previously it was not considered to be and was not going to be built. The relevant viability assessments must be provided demonstrating the value of the grant to the scheme.
- 3.8.4. Schemes which include land assembly of parcels in multiple ownership, may be assisted by a grant where the Council owns one of the land parcels and where the Council has not been able to develop the site to date, for reasons of capacity, borrowing cap or availability of capital funds. The benefit to the Council is the development of the site which otherwise would not take place and would not generate any Affordable Housing. In order to ensure that this does not result in a property undervalue, the valuation of the land will need to be undertaken prior to the grant being awarded and will need to be on an open market basis (not restricted use).
- 3.8.5. Schemes which are proposed to be on brownfield sites owned by the Council which would not deliver any Affordable Rented (AR) units on the open market, are considered to be prime applicants for the grant. These schemes would also be accompanied by a land transfer for which the Council would receive best consideration. These sites are likely to be too small to trigger the AR threshold in planning.

## Scheme Criteria

3.9. It is proposed that priority be given for homes that meet the LBTH specific strategic criteria:-

- Deliverability – the scheme must be deliverable within the desired timeframes. Milestones will be set and the grant will be repayable if the milestones are not achieved. Schemes with planning permission will be prioritised.
- Affordability – preference will be given to homes that are most affordable to local residents.
- Tenancies – preference will be given to homes with longer tenancies as the RTB receipts fund permanent social/affordable rented accommodation.
- The grant element will represent a maximum of 30% of the scheme cost and can only be utilised for the replacement of Affordable rented Units although this can be part of a larger mixed tenure development.
- Delivery of other strategic objectives of the Council and deliver wider community benefits.
- Accessibility – Homes for residents with disabilities will be fully accessible and preference will be for wheelchair housing located on the ground floor. Preference will also be given to schemes that assist the housing of households with disabled members. No less than 10% of the rented stock in the scheme will be wheelchair units.
- Schemes that fit in with the Planning or supported Borough Housing Investment Strategy e.g. Whitechapel Master Plan area
- Schemes that exceed the minimum planning requirements for the provision of Affordable Housing

## 3.10. Scheme Evaluation

	<i>Criteria</i>	<i>weigh ting</i>	<i>Evidence</i>
1	Deliverability	30%	Time-table for the expenditure of the grant
2	Value For Money	15%	a) A Development Appraisal showing that the valuation of the scheme post

		5%	<p>development is greater than the input costs including the land asset.</p> <p>b) The development costs are comparable to industry average for similar sites taking into account extraordinary costs.</p>
3	Affordability	15%	The <i>maximum</i> affordable rent levels proposed are at the “POD” rents level as provided by LBTH
4	Tenancies	15%	Tenancies are offered for 10 or more years
5	Loan Arrangements	10%	Provides evidence of funding and/or loan arrangements being in place
6	Accessibility of units	5%	No and Quality of Wheelchair Units provided
7	Good Fit with Strategic Objectives	5%	Masterplanning areas fit in with LBTH priorities
	<b>Total</b>	<b>100%</b>	

### Development Standards

3.11. Standards of Development for the Local Affordable Housing Grant Programme will include:

- LBTH Planning Guidance on Affordable Housing sets the base standards
- Schemes should meet planning policy on mix, on bedroom size, tenure, and other standards
- The London Housing Design Guide will apply
- The Tower Hamlets draft Design Guide for Council owned Affordable Housing (where applicable)
- RP approved design standards



Developments which are part of Section 106 may be included if they meet the standards below and increase the supply, quality and affordability of housing.

### **Tenure & Rent**

- 3.12. Using the Managing Development planning document as guidance, schemes will prioritise the delivery of Social rented units in each scheme. Other tenures such as market sales or market rented units can be included if they assist scheme viability but will not attract funding under the programme. A Development Appraisal must be submitted with each scheme in order to demonstrate scheme viability and that the funding objectives are met.
- 3.13. The rent level will be agreed with the funder of the scheme prior to seeking planning approval and will actively consider the recommendations of the Council's Housing Policy and Affordability Commission.
- 3.14. The Service charge element should not be more than 15% of the rent where this is not included in the rent to be charged in line with the borough's current practice.
- 3.15. The developer RPs will be required to sign up to the standard LBTH Rents and Nominations Agreement.

### **3.16. Grant Bidding Process**

- 3.16.1 The Council is keen to have a bid uptake which is as early as possible and which delivers in the time-frame that matches the Right To Buy Receipts expenditure profile. The Council will operate an open bidding procedure that will take place in two stages. Initially, via advert, bidders will be invited to express a general interest and such bidders will be vetted against general criteria for suitability, such as registration certification, financial stability etc. Having passed such criteria, the successful bidders will then be invited to submit details of the particular schemes for which they are seeking funding. This will be a continuous process until all the available funding has been initially allocated to potential schemes.
- 3.16.2 The first stage include bids submitted to a deadline which will occur shortly after the Commissioners' decision to enable schemes and which have planning permission or are planning ready to be in the Programme in Quarter One of 2016.
- 3.16.3 Following the initial invitation to submit proposals, a process of continuous market engagement (in the manner of the GLA programme) will be open for delivery in the Years 2016-20 with each potential bidder having been

assessed under Stage 1 of the process. The Council will issue a statement when it stops accepting bids, once it has allocated the total grant amount.

3.16.4 Successful bidders will be required to sign a contract, and agree to include in any advert where they seek contractors and consultants to work on the scheme the fact that the scheme is part funded by the London Borough of Tower Hamlets, thereby satisfying the procurement requirements. The contract will also include a condition of compliance with EU legislation and an agreed process for ensuring that the Council's constitution relating to the Council's expenditure is followed as closely as possible. There will also be provision for scheme audits, monitoring and information requirements.

3.16.5 They RPs will need to demonstrate that their organisation is viable and has sufficient liquidity to undertake the size of programme they are undertaking. The Annual Business Plans of RPs are assessed regularly by the Regulator and this assessment will need to be shared with the Council along with other regular information such as insurance and annual accounts.

3.16.6 The draft time-table is as follows:

CMT	17 <sup>th</sup> November 2015
Commissioners' Meeting	2 <sup>nd</sup> December 2015
Decision is effective	11 <sup>th</sup> December 2015
Expression of Interest	14 <sup>th</sup> December 2015
Invitation To Bid	January 2016
Bids Close	Mid- February 2016
Site Visits and Clarifying Questions	Mid Feb -1 <sup>st</sup> March
Bid Assessment Panel Meeting	1 <sup>st</sup> March 2016
Report on Successful Bids	End of March 2015
Grant Awards	Quarter 1 - 2016/17
Meeting of All Successful Partners	Quarter 1 - 2016/17
Grant Agreements are signed	Quarter 1 – 2016/17

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 This report requests that the Commissioners agree that £7.06m of retained RTB receipts be ring fenced for a Local Housing Affordable Grant programme, and that the criteria for the grant will be as contained in this report and its Appendices.
- 4.2 The sum of £7.06 million represents a 30% one for one contribution towards RP schemes, therefore the total amount of replacement social housing that could be delivered would be £23.550 million, which represents the total amount of currently unallocated spend required on replacement social housing by the end of December 2017.
- 4.3 Even if the Authority passes one for one receipts to a third party, the responsibility to spend the required amount on replacement social housing remains with the Authority. In the event that third parties fail to spend sufficient sums, or do not spend by the required deadlines, the resources will be payable to the Government, with the Authority being liable for any interest payable arising from the failure to spend in line with the Right to Buy agreement.
- 4.4 Government guidance reminds Authorities that the one for one receipts must have been spent by the required deadline; a contracted commitment to spend the resources does not count as 'spend', nor does the fact that an Authority has granted the one for one receipts to a third party count as 'spend'.
- 4.5 Therefore it will be crucial that the Authority closely monitors projected and actual progress by third parties. This report proposes in paragraph 3.6, that in order to spread risk between the RPs and the Council, allocations are subject to a review and clawback mechanism, and that scheme allocations which, at particular milestones, do not project to meet spending deadlines will be reallocated to other schemes. This approach should help to mitigate the risk of paying resources to the Government.
- 4.6 This report also requests that an Affordable Housing Grant Panel be set up under the Corporate Director, Development & Renewal for the purpose of assessing development proposals, reviewing bids for grant funding and of making recommendations for the award of grant, and that the decision to award scheme grants is delegated to the Corporate Director, Development & Renewal, who will be required to report the decisions to the Executive Members for Housing and Regeneration and to the Mayor. It is anticipated that these functions will be absorbed within existing resources.

## **5. LEGAL COMMENTS**

- 5.1. The power of the Commissioners to make decisions in relation to grants arises from directions made by the Secretary of State on 17 December 2014 pursuant to powers under sections 15(5) and 15(6) of the Local Government Act 1999 (the Directions). Paragraph 4(ii) and Annex B of the Directions together provide that, until 31 March 2017, the Council's functions in relation to grants will be exercised by appointed Commissioners, acting jointly or severally. This is subject to an exception in relation to grants made under section 24 of the Housing Grants, Construction and Regeneration Act 1996, for the purposes of section 23 of that Act (disabled facilities grant).
- 5.2. The wording used by the Directions is that the Commissioners will exercise the power "relating to the making of grants under any statutory power or duty". There is no definition of grant given under the Directions and therefore, the assumption must be that a grant is that which would be deemed to be a grant under the law. There is no strict legal definition of grant. However, in circumstances where the council exercises its discretion and funds are given to an external body on the basis of a set of criteria, with some conditions as to use, this is often regarded as a grant.
- 5.3. In order to ensure that the grant does not qualify as procurement activity the Council must ensure that there is no pecuniary interest taken in the grant by the RP beyond the general receipt of the funds. Therefore, the Council must ensure that it is agreeing to cover actual cost to ensure that no profit element is taken by the RP.
- 5.4. It is clear that each RP who receives a grant of this sort may gain an advantage in the market place generally for example, in respect of bidding for funding and work opportunities that could subsequently arise. Therefore, this might usually be considered state aid and offend a further set of European Regulations. However, it is clear that there is no cross border interest for two reasons. It is unlikely that the advantage gained by an RP would assist it to bid for services and work in another member state. Also, it is clear that the funds are available in order to create affordable housing in the Tower Hamlets area and not anywhere else within the European Union.
- 5.5. Also, the Council is undertaking this route to "remedy a failure in the market place" in that it is making these grants to make good a shortfall in the building of affordable housing. Again grant aid that might otherwise be unlawful is allowable under this context.

- 5.6. The Council is obligated under the Treaty For the Functioning Of The European Union to deal with all bidders in a fair open and transparent way. Therefore, the Council must allow fair access to the funding by all potential recipients. This means that the Council should advertise the availability of the funds and assess bidders and their bids on predetermined preadvertised criteria applicable to all in the same way.
- 5.7. To the extent that the Commissioners are exercising powers which would otherwise have been the Council's, there is a need to ensure the Council has power to make the grants in question. Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes. This general power of competence may be utilised to give grants to RPs, provided there is a good reason to do so. DCLG guidance specifically comments on the option to grant fund RPs. There may be a good reason for giving a grant if it is likely to further the Council's community strategy which is contained within the Tower Hamlets Community Plan. This is addressed in the body of this report.
- 5.8. The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This is referred to as the Council's best value duty. The means by which the best value duty is addressed is set out in paragraph 7.
- 5.9. There should be a grant agreement for each grant and provision made to ensure delivery of the project in line with the application and approval, including time scales having regard to the implications of failure to comply as set by central government. Robust monitoring requirements need to be in place, and contingency plans developed.
- 5.10. When making a decision to create a grant scheme, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty and information relevant to this is contained in the One Tower Hamlets section of the report.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1. On reducing inequalities, this proposal will help deliver real and lasting change. The delivery of more affordable homes will help give households, particularly those from black, Asian, or other minority ethnic backgrounds on low incomes (many of whom are benefit dependent) a secure home. This has the potential to create an environment for household members – particularly children – to improve their educational attainment which will in turn help them access sustainable employment in the future. The delivery of more housing that is wheelchair accessible and meets lifetime homes standards is a proven method to help reduce inequalities.
- 6.2. The provision of additional rented schemes can potentially impact on community cohesion. The amount of private housing developed for sale and private rent has been particularly high in Tower Hamlets. However, the large majority of this housing is inaccessible to residents due to high house prices. Therefore, maximising the amount of affordable housing for rent wherever possible can contribute to community cohesion. This can be achieved by reducing the number of households on the Common Housing Register waiting for a home, whilst also giving an opportunity for local applicants to access low cost home ownership opportunities.
- 6.3. The Local Affordable Housing Grant scheme directly makes a significant contribution to the core Local Plan target of new affordable homes delivery. The programme also makes a wider contribution to Community Plan objectives, such as on increasing household recycling; reducing crime (through Secure By Design standards); and increasing skills and training opportunities. The proposal is a good 'strategic fit' with the Community Plan and will help Tower Hamlets deliver both the housing and sustainable communities priorities identified.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 This is a capital programme which proposes to make use of the Council resources in order to fund partners in the delivery of affordable homes rather than be required to pay interest to the government on unspent receipts. It places the responsibility for 70% of the costs of building replacement one for one homes on RPs, thereby protecting the borrowing margin of the Council and making possible the delivery of larger programmes.

## **8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 8.1 The schemes will comply with the Council's requirements on the reduction of carbon emissions, energy consumption along with green and sustainable construction delivery.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1. A Grant Agreement will be drawn up by the Council's Legal Services and will be issued with the bidding documents.
- 9.2. Bidders will be required to provide proof of their ability to finance the scheme in the form of a funder's letter. (See Schedule 2- Assessment Criteria)
- 9.3. Bidders will be required to be or become a Member of the Common Housing Register and to sign up to the Standard Nominations Agreement in order to ensure that the Council benefits fully from the programme.
- 9.4. An audit of the programme will be planned and will be provided for in the Legal Agreement.
- 9.5. The scheme is required to adopt an open book approach so that the Council is able to scrutinise the project finance.
- 9.6. The qualifying criteria (see Schedule 2 Bidding Criteria Spreadsheet) are safeguards against organisations that would not have the capacity, expertise or financial stability to deliver the programme.

## **10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 10.1 The schemes proposed will be designed to Secure By Design Standards. The conditions of the housing grant programme will include the need to meet the London Housing Design Guide and other standards of building including Secure by Design.
- 10.2 The impact on the local community and the local environment will be factors in assessing the quality of a scheme proposal. RPs will be encouraged to identify sites which if developed, would improve the safety and security of the local communities.
- 10.3 The role of design in "designing out crime " will be part of the solution for addressing community safety hot spots in the borough. In addition, the natural surveillance offered by the new developments is likely to improve safety in the respective areas.

## **11. SAFEGUARDING IMPLICATIONS**

11.1 N/A

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Reports**

Cabinet Report 28<sup>th</sup> July 2015 – Strategy & Options for the Use of Right To Buy Receipts

Cabinet Report October 2015 – Housing Resources and Capital Delivery

#### **Appendices**

- Grant Application Form
- Schedule One – The Bidding Process
- Schedule Two - Monitoring Framework

#### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- List any background documents not already in the public domain including officer contact information.
- These must be sent to Democratic Services with the report
- State NONE if none.

#### **Officer contact details for documents:**

Geeta Le Tissier – [Geeta.LeTissier@towerhamlets.gov.uk](mailto:Geeta.LeTissier@towerhamlets.gov.uk), tel. 0207 364 6094