

The LBTH Affordable Housing Grant Scheme (2016-2019)

Schedule 1 - The Bidding Process

Registered Providers (RPs) will be invited by way of an advert to submit an expression of interest in order to be included in the bidding for the funding. The expression of interest has the form of a basic qualitative assessment as detailed below, and follow the draft timetable set out in the report.

Qualifying RPs will be required to have knowledge of the borough's housing needs, be a signed up member of the Common Housing Register, have a management arm based in the borough, be easily accessible to their new tenants, and have extensive experience of affordable housing development. They will need to be on the Homes and Communities Agency (HCA) published list of RPs and have the financial liquidity needed to successfully deliver a development programme over period of the grant scheme.

1. First Round Bids

The advert will be placed immediately after the decision to operate a grant scheme is made. Following assessment of the expressions of interest, successful applicants will then be invited to submit detailed proposals. Priority will be given to schemes with planning permission or in the planning process, and these would be expected to form the majority of bids by the first closing date, expected to be in February 2016.

2. Composition of Bids

Bidders will need to provide details of the sites and scheme details, including

- size and number of units
- tenure mix of the development
- estimated rent levels and service charges
- detailed cost estimates
- a development timeframe and
- the amount of grant sought

Bidders will also be asked to provide proposals which deliver spend within a set time-table designed to meet the requirements of the Council's Right To Buy Programme.

3. Assessment

The bids will be reviewed by the Affordable Housing Team in accordance with the bid selection criteria, and will be the subject of consultation with the Area Planning Teams to ensure that the scheme accords with Council planning policy and is deliverable. An Assessment Panel will be set up to make recommendations to the Director; it will have representatives from the Development Team of Strategic Housing, the Affordable Housing Team, Development & Renewal Finance and Strategic Planning (with clearly set boundaries which do not conflict with the Planning Applications Team).

Bid selection criteria will centre around financial performance (Business Plan, value for money and local economic benefits), number and size of units and quality of the affordability offer (tenure, rent levels and design quality).

The RPs will be expected to provide a Viability Assessment to ensure that the schemes represent value for money, that the outputs match the needs of housing in the borough, and that the proposed development timeframe is achievable.

Approval will be subject to a legal agreement between the Council and RP, which will set out objectives and outcomes, units to be delivered, and the total amount of grant receivable by the RP. Grant will be given in tranche payments which will be subject to satisfactory performance. The grant will make provision for a clawback mechanism if the delivery is not within the terms agreed.

The agreement will also include other mechanisms to protect the Council's resources in the event of non or slow delivery. For example, achievement of all necessary consents will be a condition of the agreement proceeding.

4. Continuous Market Engagement

Throughout the life of the Local Affordable Housing Grant Programme, and subject to funding, a process of "continuous market engagement" will continue between the Council and RPs in order to allow for new bids to be considered as and when they are sufficiently developed. It will be similar to the current process that operates between RPs, the Council and the GLA for GLA grant funded schemes.



As with the first round of bids a similar level of information will be required, and as the programme nears completion, the schemes approved are likely to be more “off the shelf” or leasehold buy back acquisitions to ensure the projects are completed by the Right To Buy Receipts deadline.

Any applicants who have not already submitted a bid but seek funding following round one will be required to undertake the same initial qualitative assessment under the expression of interest process.

The Council may issue adverts inviting bids throughout the period 2016-19 until the Right To buy Receipts target expenditure is achieved. It will publish a notice when it stops to accept all bids under the programme.
