

<b>Decision maker:</b>	<b>Cabinet member housing, regulatory services, and community safety</b>
<b>Decision date:</b>	<b>Tuesday, 17 November 2020</b>
<b>Title of report:</b>	<b>Homes England Investment Partner Status</b>
<b>Report by:</b>	<b>Housing Strategy Officer</b>

## **Classification**

Open

## **Decision type**

Non-key

## **Wards affected**

(All Wards);

## **Purpose**

To seek approval for the authority to become a Homes England Investment Partner.

## **Recommendation(s)**

That:

- (a) **That the council formally applies to Homes England for Investment Partner status, enabling the council to secure Homes England funding for affordable and specialist housing projects across Herefordshire based on evidenced housing need.**

## **Alternative options**

1. Not to apply for Investment Partner Status; this would mean that the council could not secure Homes England funding as Investment Partner status must be achieved before payment against any agreed scheme can be made.

## **Key considerations**

2. Investment Partner status is awarded by Homes England following an assessment to verify the applicant's organisational status and a due diligence process which considers the applicant's financial and technical capacity to undertake an agreed programme of new housing supply and the organisations good financial standing.
3. Homes England have a range of funding programmes that focus on the development of affordable housing and housing that addresses specific housing needs e.g. homelessness and specialist care.
4. As a local authority, we have a statutory duty to house those who are unintentionally homeless and are in priority need, and a duty to understand and plan to meet local housing need.
5. The council owns a small amount of specialist housing stock and are therefore a registered provider with the social housing regulator; Homes England are the regulatory body.
6. In July 2020, the Ministry of Homes, Communities and Local Government (MHCLG), in partnership with Homes England, issued a new funding scheme, the Next Steps Accommodation programme. This programme is directly linked to the government's 'Everybody In' initiative, which saw over 80 homeless and rough sleeper households from Herefordshire placed into temporary accommodation at the start of the Covid-19 lockdown period in March 2020. A total of 54 households remain in temporary accommodation as of 25 September 2020.
7. This figure is in addition to the 40 to 45 households that the council would normally house in temporary accommodation at any one time whilst assessments are undertaken and housing solutions are sought, placing considerable strain on the county's existing social housing stock.
8. As well as requesting revenue funding from the MHCLG to support the ongoing cost of accommodating the above households until 31 March 2021, the council placed a bid for a range of potential capital development schemes. One of the proposed schemes has been shortlisted by Homes England for further consideration. The council can apply for these funds, but any potential grant funding cannot be claimed without the council having Investment Partner Status.
9. In order to assess local housing need, the council undertakes a regular Housing Market Area Needs Assessment. The 2020 Housing Market Area Needs Assessment includes a detailed assessment of affordable housing need and calculates a need for 422 rented affordable homes per year, and 175 affordable home ownership homes per year for the next 20-year period.
10. In the County Plan 2020 – 2024, the council has expressed an ambition to build publicly owned sustainable and affordable houses. Homes England recently announced the Affordable Housing Programme 2021 – 2024 that provides grant funding to support the capital costs of developing affordable housing for rent or sale. This is a possible source of funding to support the council to deliver its affordable housing aim and fulfill the county's affordable housing need.
11. The decision to apply for Investment Partner Status does not have any direct implications on service delivery, procurement, IT, HR or communications. Where applications are made to Homes England for specific housing schemes separate governance will be required and the implications for each scheme will be considered through this process.

## Community impact

12. The decision to become a Homes England Investment partner does not have any direct community impact, but would enable the council to apply for funding for a range of housing projects that would help us to deliver housing solutions for people in housing need.

## Environmental Impact

13. The decision to become a Homes England Investment partner is a back office function and will have minimal environmental impact. The application and all related paperwork is available via an online system.

## Equality duty

14. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
15. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.
  16. If Investment Partner Status is secured it would enable us to bid for and, if successful, draw down funding for housing projects. Any resulting accommodation will add to the county's housing stock and will be affordable in perpetuity allowing future households who share protected characteristics to have access to appropriate accommodation. This demonstrates the council's commitment to equality and that we are being pro-active in our approach to ensuring that the right properties are available.

## Resource implications

17. The decision to become a Homes England Investment Partner requires the council to demonstrate financial due diligence, a statement of good standing and evidence of experience of managing development. The evidence needed to support these requirements is available. Officers in the Strategic Housing Team will complete and submit the application. There is no cost associated with securing Homes England Investment Partner status.
18. Investment partner performance is reviewed annually through a continuous qualification review process in order for partners to remain qualified Investment Partners. This

process will be co-ordinated by the Strategic Housing Team, but is likely to require contributions from other teams, including finance.

## Legal implications

19. The council has a general power of competence under s1 of the Localism Act 2011 which allows the council to undertake any action that an individual or entity can and this would include applying for Investment Partner Status with Homes England.
20. To achieve Investment Partner status the council will need to provide detailed evidence that: (i) it can meet the governance and financial viability standards set by Homes England, a the regulator and demonstrates that it can sustain the financial viability on an ongoing basis, and (ii) the council has in place management arrangements that enable it to demonstrate the capacity to meet the other stated Regulatory Standards which are summarised below:

Standard	Summary of requirement
Governance and Financial Viability	Ensure effective governance and resource management that delivers long-term financial viability
Value for Money	Obtain best value from assets and resources
Rent	Charge rent in line with Government rules
Home	Keep homes safe, decent and in a good state of repair
Tenancy	Let homes and manage tenancies in a fair, transparent and efficient way
Neighbourhood and Community	Keep the wider area clean and safe, help to tackle anti-social behaviour and promote community wellbeing
Tenant Involvement and Empowerment	Understand and respond to the diverse needs of tenants, provide choice and opportunities for involvement, resolve complaints fairly and promptly

## Risk management

21. There are no direct risks associated with applying for and securing Investment Partner Status.
22. If we do not secure Investment Partner Status, we will not be able to draw down any forthcoming capital funding offered by Homes England through the Next Steps Accommodation Programme.

## Consultees

23. None.

## Appendices

Appendix A - Shared ownership and affordable homes programme 2016 to 2021 and associated affordable homes programme – Investment Partner Qualification Guidance.

## **Background papers**

None identified

**Please include a glossary of terms, abbreviations and acronyms used in this report.**

MHCLG – Ministry of Housing, Communities and Local Government.