CABINET MEMBER SIGNING

Friday, 21st October, 2022, 12.00 pm

Members: Councillor Ruth Gordon – Cabinet Member for Council Housebuilding, Placemaking, and Development.

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct

3. ACCEPTANCE OF GRANT FUNDING (PAGES 1 - 18)

This decision was originally included on the Forward Plan for decision at the Cabinet meeting on 13 September 2022 (Update on the Council Housing Delivery Programme) but the item was deferred. Although other elements of the original report can be deferred, a timely decision is required in relation to the acceptance of grant funding from the Brownfield Land Release Fund, otherwise the funding will be reallocated. Due to the imminent deadline to accept grant funding in mid-October, it was not possible to comply with the usual 28-day notice period.



Given the above, it is not practicable to comply with the 28-day notice requirement in Part Four, Section D, Rule 13 of the constitution. This is set out in Part Four, Section D, Rule 16, of the Constitution.

Fiona Rae, Acting Committees Manager Tel – 020 8489 3541 Email: fiona.rae@haringey.gov.uk

Fiona Alderman Head of Legal & Governance (Monitoring Officer) George Meehan House, 294 High Road, Wood Green, N22 8JZ

Thursday, 13 October 2022

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Report for: Cabinet Member Signing – 21 October 2022

Title: Acceptance of Grant Funding

Report

Authorised by: David Joyce, Director of Placemaking and Housing

Lead Officer: Robbie Erbmann, Assistant Director of Housing

Ward(s) affected: All

Report for Key/

Non Key Decision: Key Decision

1. Describe the issue under consideration

1.1. This report recommends accepting grant of up to £5,164,319 from the One Public Estate partnership through the Brownfield Land Release Fund 2.

2. Cabinet Member Introduction

2.1. Accepting additional grant would help to deliver new council homes on some of our most complex sites, ensuring that they are brought forward as council homes that are genuinely affordable and built to the highest standard.

3. Recommendations

- 3.1. The Cabinet Member is recommended:
 - 3.1.1. In accordance with Contract Standing Order 17.1, to approve the acceptance of capital grant from the One Public Estate partnership through the Brownfield Land Release Fund 2 the terms of which are summarised in part 6 of the report.
 - 3.1.2. To delegate authority to agree the final grant documentation and contracts to the Director of Placemaking and Housing, after consultation with the Director of Finance and the Head of Legal and Corporate Governance (Monitoring Officer).

4. Reasons for decision

- 4.1. The Council is committed to a new era of Council house building in Haringey. This decision is an important step in achieving that aim.
- 4.2. Accepting this grant is an opportunity to lever more funding into our programme which will mean overall we are able to deliver more homes for social rent.

5. Alternative options considered

5.1. Not to accept any offer of grant from the Brownfield Land Release Fund. This option was rejected because it would prevent the Council from delivering the highest possible number of new Council homes.

6. Background information

- 6.1. One Public Estate (OPE) is a partnership between the Office of Government Property (OGP) in the Cabinet Office (CO), the Local Government Association (LGA) and the Department for Levelling Up, Housing and Communities (DLUHC). Its joint aim is to bring public sector bodies together in order to create better places by using public assets more efficiently, creating service and financial benefits, and releasing land for development to create new homes and jobs in local areas.
- 6.2. Since 2017, OPE has partnered with DLUHC to deliver the Land Release Fund (LRF) and subsequent Brownfield Land Release Fund (BLRF), a programme that enables councils to bring forward their surplus land for new homes.
- 6.3. At the Spending Review 2021, the Chancellor announced a £1.8 billion package of investment to regenerate communities and level-up the country, unlocking new homes on derelict and underused brownfield land.
- 6.4. As part of this, up to £180 million Brownfield Land Release Fund 2 (BLRF2) capital grant funding is available to all English councils over a three-year period to support the release of council-owned brownfield land for housing.
- 6.5. The funding will provide up front capital to address viability issues arising from abnormal costs of the proposed development. The type of abnormal costs requiring funding may include but are not limited to:
 - site levelling, groundworks, demolition, remediation
 - provision of small-scale infrastructure
 - highways works or other access challenges
 - addressing environmental constraints.
- 6.6. The Council has bid for an allocation of £5,164,319 from the first £40m of BLRF2 to support the delivery of homes on six complex sites meeting the grant criteria.
- 6.7. The Council's application is in respect of the following six sites:

Scheme name	Number of units	Bid amount
Cranwood	41	£1,435,000.00
Brunel walk	45	£601,358.00

Partridge way	23	£574,990.00
Kerswell	25	£1,345,000.00
Woodridings court	33	£1,175,000.00
Frederick Morfill	2	£32,971.00
Total	169	£5,164,319.00

- 6.8. BLRF2 grant can be used to supplement GLA grant. As such it offers an opportunity to support the viability of the individual sites and also the programme.
- 6.9. The funding conditions relate to achieving milestone dates and ensuring land is developed. Grant conditions are shown in the DLUHC's template grant funding agreement attached as Appendix 1 and available online at https://www.local.gov.uk/sites/default/files/documents/DRAFT%20GFA%20Brownfield%20Land%20Release%20Fund%20July2022%20MASTER.pdf

7. Contribution to strategic outcomes

7.1. The Council's Borough Plan is very clear that "increasing the supply of council housing is one of the most important things we can do, because for many people a council home offers the only real chance of putting down roots in Haringey, in a stable good-quality home. One of our very highest priorities is to start a new era of council housebuilding in the borough". The decisions recommended in this report will help the Council to meet this objective.

8. Statutory Officer Comments

Finance

- 8.1. Capital grant receipt from Brownfield Land Release Fund 2 will constitute a vital source of funding for housing delivery programme and vital for scheme viability in this current period of build cost inflation.
- 8.2. The six sites are all listed schemes in the current new homes' delivery capital programme funding and viability will be assessed as part of the 2023/24 budget/ 2023/24-28 MTFS setting.
- 8.3. Any grant received could be recalled if the scheme did not progress.

Legal

- 8.4. The Head of Legal & Governance has been consulted on the content of this report.
- 8.5. The receipt of grant funding is subject to the procedures set out in the Council's Contract Standing Orders (CSOs), under Part 4, section J of the Constitution. Under CSO 17.1 approval for receipt of grants is to follow the same process as that for award of contracts as set out in CSO 9.07. As the value of the grant is over £500,000.00 approval of receipt of the grant will fall to Cabinet.

- 8.6. The Cabinet has power under Section 14 (3) (b) of the Local Government Act 2000 to delegate the finalisation of the grant documentation and contracts to the Director of Housing, Planning and Regeneration after consultation with the Director of Finance and Head of Legal and Governance (Monitoring Officer).
- 8.7. The recommendations in this report are a Key Decision and therefore the Council must comply with its governance processes in respect of Key Decisions including publication in the Forward Plan.

Procurement

8.8. Strategic Procurement note the contents of the report. There are no current procurement implications associated with the report and recommendations. Strategic Procurement will work with the service area to support the delivery of any future procurement activity.

Equality

- 8.9. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
 - Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and those people who do not
 - Foster good relations between people who share those characteristics and people who do not.
- 8.10. The three parts of the duty applies to the following protected characteristics: age disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex, and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.
- 8.11. The decisions in this report are designed to accept a grant through the One Public Estate partnership, which will put in place appropriate financial arrangements to support this next phase of the Housing Delivery Programme. This will help to increase the supply of homes which are genuinely affordable to residents by delivering new build council-rented homes.
- 8.12. This decision is likely to positively impact individuals in temporary accommodation and those who are vulnerable to homelessness. Data held by the council suggests that women, young people, and BAME communities are over-represented among those living in temporary accommodation. Furthermore, individuals with these protected characteristics, as well as those who identify as LGBT+ and individuals with disabilities, are known to be vulnerable to homelessness. As such, it is reasonable to anticipate a positive impact on residents with these protected characteristics.
- 8.13. Additionally it is noted there are no negative impacts on those with protected characteristics expected from these decisions.

9. Use of appendices

Appendix 1 – Template BLRF2 Funding Agreement

There are no background papers for this report

10. Local Government (Access to Information) Act 1985

Not applicable.





Department for Levelling Up, Housing & Communities

THIS FUNDING AGREEMENT is made on [DATE]

BETWEEN:-

- (1) The Secretary of State for Levelling up, Housing and Communities whose head office is at Fry Building, 2 Marsham Street, London SW1P 4DF (the "Department"); and
- (2) [NAME OF GRANT RECIPIENT] whose principal address is at [ADDRESS] (the "Grant Recipient").

RECITALS:-

- (A) This Grant is made on the basis of the Grant Recipient's Bid(s), a copy of which is attached to this Funding Agreement at Annex A.
- (B) The Department has agreed to make a financial contribution to the Grant Recipient for the purposes of supporting the Project as described in the Bid.
- (C) The parties have agreed that the Grant shall be provided and managed in accordance with the Terms and Conditions of this Funding Agreement as set out below.
- (D) The Department acts through the One Public Estate teams within the Cabinet Office and Local Government Association in respect of this Grant as set out below, but remains ultimately responsible for the Grant, including in relation to its payment, management, administration and termination.

IT IS AGREED as follows:-

1. **DEFINITIONS**

In this Funding Agreement:

"Bid" means the bid(s) by the Grant Recipient for financial assistance attached at Annex A.

"Brownfield Land" means land which is or was occupied by a permanent structure including the curtilage of the developed land (although it should not be assumed that the whole curtilage should be developed) and any associated fixed surface infrastructure. This excludes: land that is or was last occupied by agricultural or forestry buildings: land that has been developed for minerals extraction or waste disposal by landfill, where provision for restoration has been made through development management procedures; land in built-up areas such as residential gardens, parks, recreation grounds

and allotments; and land that was previously developed but where remains of the permanent structure or fixed surface structure have blended into the landscape.

"Contracted" means a legally binding contract is in place imposing a commitment on the Grant recipient to pay for the Funded Works.

"Eligible Expenditure" means payments by the Grant Recipient during the Funding Period as defined in clause 5.

"**Fixed Assets**" means property, plant and equipment owned by the Grant Recipient.

"Funded Works" mean the infrastructure and remediation works the Grant supports, in accordance with the Bid.

"Funding Agreement" means this agreement, Schedule and Annexes.

"Funding Period" means the period set out in the Schedule.

"Grant" means the sum to be paid to the Grant Recipient in accordance with clause 3.

"Land Release" means:

- (a) The execution of an unconditional contract, development agreement or building license with a private sector partner or a freehold or leasehold transfer (whichever is sooner) in respect of Project Land;
- (b) The transfer of Project Land to a development vehicle owned, or partly owned, by the Grant Recipient; or
- (c) (if (a) and (b) above have not occurred) The point at which development of Project Land begins on site; or
- (d) (in the case of Self and Custom Build) the exchange of contracts on the first plot of Project Land.

"One Public Estate" means the One Public Estate programme – a partnership between the Department, Cabinet Office and the Local Government Association – which manages the Brownfield Land Release Fund on behalf of the Department.

"Project" means the project as described in the Bid.

"Project Longstop Date" means 31 March 2026.

"Project Targets" means the objectives, activities or targets described in the Bid.

"Project Land" means land or buildings which are improved as a planned step in the implementation of the Project;

"Self and Custom Build" means, the building or completion by: individuals; associations of individuals; or persons working with or for individuals or associations of individuals, of houses to be occupied as homes by those individuals. It does not include the building of a house on a plot acquired from a person who builds the house wholly or mainly to plans or specifications decided or offered by that person".

"Terms and Conditions" mean the terms and conditions of the Grant, as set out in this Funding Agreement. For the avoidance of doubt, this includes the Special Conditions set out in the Schedule to this Funding Agreement.

2. INTERPRETATION

In this Funding Agreement:

- a) references to an Annex, Schedule, clause or sub-clause shall mean an Annex, Schedule, clause or sub-clause of this Funding Agreement so numbered;
- b) headings in this Funding Agreement shall not affect its interpretation;
- c) reference to 'this Funding Agreement' includes any variations made from time to time pursuant to these Terms and Conditions; and
- d) reference to any statute or legislation shall include any statutory extension or modification, amendment or re-enactment of such statutes and include all instruments, orders, bye-laws and regulations for the time being made, issued or given thereunder or deriving validity therefrom, and all other legislation of the European Union that is directly applicable to the United Kingdom, including but not limited to retained direct EU legislation as defined within section 20(1) European Union Withdrawal Act 2018.

3. GRANT

- 3.1 Payment of the Grant is subject to the Grant Recipient complying with these Terms and Conditions and to such further conditions and requirements that the Secretary of State may from time to time specify in writing.
- 3.2 The Secretary of State agrees to pay the Grant to the Grant Recipient as a contribution towards Eligible Expenditure incurred by the Grant Recipient in the delivery of the Project.

- 3.3 The Grant shall not be used for any other purpose without the prior written consent of the Department.
- 3.4 The Funded Works this Grant supports must be Contracted within the Funding Period.
- 3.5 Evidence that the Funded Works have been Contracted, signed within the Funding Period, should be sent to your One Public Estate Regional Programme Manager no more than two weeks after the end of the Funding Period.
- 3.6 Land Release must be complete by the Project Longstop Date;
- 3.7 Details of the programme, powers under which the Grant is paid and Treasury consent (if needed) are listed in the Schedule.

4. PAYMENT OF GRANT

- 4.1 Subject to clause 9, the Department shall pay the Grant to the Grant Recipient in accordance with the payment arrangements listed in the Schedule.
- 4.2 The Grant Recipient shall promptly repay to the Department any money incorrectly paid to it either as a result of administrative error or otherwise.

5. ELIGIBLE EXPENDITURE

- 5.1 Subject to clause 5.2, Eligible Expenditure consists of payments by the Grant Recipient during the Funding Period for the purposes of delivering the Project. Eligible Expenditure is net of VAT recoverable by the Grant Recipient from HM Revenue & Customs, and gross of irrecoverable VAT.
- 5.2 The following costs are not Eligible Expenditure:
 - a) payments for activities of a political or exclusively religious nature;
 - payments that support activity intended to influence or attempt to influence Parliament, Government or political parties, or attempting to influence the awarding or renewal of contracts and grants, or attempting to influence legislative or regulatory action;
 - c) payments for goods or services that the Grant Recipient has a statutory duty to provide;
 - d) payments reimbursed or to be reimbursed by other public or private sector grants;
 - e) contributions in kind (a contribution in goods or services as opposed to money);
 - f) depreciation, amortisation or impairment of Fixed Assets owned by the Grant Recipient;

- g) interest payments (including service charge payments for finance leases);
- h) gifts to individuals, other than promotional items with a value no more than £10 a year to any one individual;
- entertaining payments (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations);
- j) statutory fines, criminal fines or penalties;
- k) liabilities incurred before the issue of this Funding Agreement unless agreed in writing by the Department;
- I) revenue costs (e.g. staffing costs)

6. PROGRESS REPORTING

- 6.1 The Grant Recipient must be in regular communication with One Public Estate regarding progress of the Project as set out in the Schedule.
- 6.2 If the Grant Recipient is experiencing any financial, administrative, managerial etc. difficulties that may hinder or prevent the completion of the Project, the Grant Recipient must inform One Public Estate as soon as possible.

7. CHANGES TO THE PROJECT

7.1 Any changes to the Project must be agreed in writing by way of Variation Request (Annex B) with the Department before implementation.

8. GRANT RECIPIENT OBLIGATIONS

8.1 The Grant Recipient must comply with the reporting requirements set out in the Schedule.

9. EVENTS OF DEFAULT AND RIGHTS RESERVED FOR BREACH OF THE FUNDING AGREEMENT

- 9.1 If the Grant Recipient fails to comply with any of these Terms and Conditions, or if any of the events mentioned in clause 9.3 occur, the Department may reduce, suspend, or terminate payments of Grant, or require any part or all of the Grant to be repaid.
- 9.2 Where any part or all of the Grant is required to be repaid in accordance with clause 9.1 above, the Grant Recipient must repay this amount within 30 days of receiving the demand for repayment.
- 9.3 An Event of Default is the occurrence of any of the following:-

- a) the Grant Recipient fails, in the Department's sole opinion, to make satisfactory progress with the Project; and in particular with meeting the Project Longstop Date;
- b) there is a change in control or ownership of the Grant Recipient or the Grant Recipient ceases to operate or changes the nature of its operations to an extent which the Department considers to be significant or prejudicial to the satisfactory continuance of the Project;
- any information provided in the Bid or in any subsequent supporting correspondence is found to be incorrect or incomplete to an extent which the Department considers to be significant;
- d) the Grant Recipient takes inadequate measures to investigate and resolve any reported irregularity:
- e) it appears to the Department that the Grant Recipient no longer requires financial assistance in order to carry out the Project;
- 9.4 In the event that it becomes necessary to take steps to enforce the Terms and Conditions of this Funding Agreement, the Department will write to the chief executive (or equivalent) of the Grant Recipient giving particulars of its concerns about the Project or of any breach of the Terms and Conditions.
- 9.5 The Grant Recipient must act within 21 days to address the Department's concern or rectify the breach, and may consult or agree an action plan to resolve the problem with the Department.
- 9.6 If the Department is not satisfied with steps taken by the Grant Recipient pursuant to clause 9.5 above, it may withhold or suspend any further payment of the Grant (including by way of clause 9.4 above), or recover Grant already paid.

10. DISPUTES

10.1 All disputes and complaints shall, in the first instance be referred to One Public Estate who will inform the Grant Recipient's manager for the Project and the Grant Recipient's principal contact in the Department who shall use all reasonable endeavours to negotiate in good faith, and settle the dispute or complaint amicably.

Attachments:

Schedule

Annex A Bid

Annex B Variation Request

Authorised to sign for and on behalf of the Secretary of State for Communities and Local Government

Signature		
Name in Capitals		
Date		
The Grant Recipient accepts the Grant and agrees to comply with the Terms and Conditions contained in this Funding Agreement:		
Authorised to sign for and on behalf of the [GRANT RECIPIENT]		
Signature		
Name in Capitals		
Date		
Principal contact(s):		
Name		
Email		
Telephone		
Name		
Email		
Telephone		

SCHEDULE

Name of Project/ programme:	[INSERT NAME OF PROJECTS] (Brownfield Land Release Fund 2)	
Power under which Grant is to be paid:	Housing Grants, Construction and Regeneration Act 1996, s.126. Grant paid with the consent of Her Majesty's Treasury.	
Grant Recipient's principal contact in the Department:	The Department One Public Estate: Your One Public Estate Regional Manager	
Funding Period:	The period commencing [Date at top of GFA] and ending at 11.59pm on 31 March 2023	
Amount of Grant:	[INSERT AMOUNT]	
Payment arrangements:	Payment will be made in one instalment by 11.59pm on or before [PAYMENT DATE]	
Project Targets:	Not applicable (but please see the Special Conditions) below.	
Reporting requirements:		
	The six milestones are:	
	 Procurement of infrastructure works: contractor commencement date. This relates to the Funded Works, as defined above. The date entered should be the day on which tenders are issued 	
	 Commencement of BLRF Funded Works date. This refers to the first of the Funded Works, if multiple. 	
	 Completion of BLRF Funded Works date (last of the Funded Works, if multiple) 	

- 4. **Date of Land Release** (as defined above)
- 5. Expected start on site (new homes)
 - a. A "start" is an excavation for strip or trench foundations or for pad footings; digging out and preparation of ground for raft foundations; vibro-flotation, piling, boring for piles or pile driving; or draining work specific to the scheme.
- 6. **Expected development end date** (final housing unit completion).

Special conditions:

Applications have only been considered when the following Eligibility and Gateway Criteria, set out on the "One Public Estate: Brownfield Land Release Fund details: July 2022" webpage at the time of application, were satisfied:

Eligibility criteria (pass/fail)

- The land to which the application relates is defined as previously developed land (Brownfield Land).
- The land is in council ownership.
- The Project must be undertaking capital works on council owned land only.
- The Project timings must ensure works contracts for BLRF2 funded activity are signed by 31 March 2023 and evidence of this can be provided by 14 April 2023.
- The Project must be able to release land by 31 March 2026.
- The council can demonstrate a general or specialised housing need.
- The council or One Public Estate Partnership has informed relevant local MPs of proposed Projects and agree to keep them informed of the progress of any application.
- The Project meets One Public Estate's pre-selection criteria.
- 2. Gateway criteria (pass/fail)

Applications that meet the stage one eligibility criteria will progress to the gateway stage. This stage will consider:

- evidence of value for money
- evidence of market failure
- evidence of deliverability and mitigation of risk.

More detail on these criteria can be found in the Brownfield Land Release Fund 2 Prospectus

If the Project no longer meets the Eligibility and Gateway Criteria, this constitutes a breach of this Funding Agreement and DLUHC will be entitled to exercise the rights set out at clause 9.1 of this Funding Agreement.

Annex A

Bid proposal included under separate cover.



Annex B

VARIATION REQUEST

WHEREAS the Grant Recipient and the Secretary of State for Levelling up, Housing and Communities entered into a Grant Funding Agreement for the approved Project dated [INSERT DATE] [as varied on [INSERT DATE]] (the "Funding Agreement") and now wish to amend the Funding Agreement.

IT IS AGREED as follows

1. **DEFINITION**

1.1 Terms defined in the Funding Agreement shall have the same meaning when used in this Variation Request, unless defined otherwise.

2. VARIATION

2.1 With effect from [INSERT START DATE] the Funding Agreement shall be amended as set out in this Variation Request:

Variation requestor:	[INSERT NAME, TEAM & DIVISION]
Summary of variation:	[INSERT FULL DETAILS OF VARIATION]
Reason for variation:	[INSERT REASON FOR VARIATION]
Revised Grant:	[INSERT NEW AMOUNT IN FIGURES]
Revised Funding Period:	[INSERT NEW START DATE TO END DATE]
Revised Payment Arrangements:	[INSERT NEW PAYMENT ARRANGEMENTS]
Other Variation:	[INSERT ANY OTHER PROPOSED CHANGE TO FUNDING AGREEMENT TERMS]

2.2 Save as herein amended all other Terms and Conditions of the Funding Agreement shall remain in full force and effect.

Authorised to sign for and on behalf of the Secretary of State for Levelling up, Housing and Communities

Authorised to sign for and on behalf of the [GRANT RECIPIENT]

Signature

Signature

Name in Capitals

Name in Capitals

Date

Date

Address in full

Address in full