

REPORT TITLE: PROPOSAL TO JOIN THE WAYFARER CONSORTIUM

17 MAY 2018

REPORT OF PORTFOLIO HOLDER: Leader and Portfolio Holder for Housing Services

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WARD(S): ALL

PURPOSE

The Council wishes to formally become a member of the Wayfarer Consortium which will enable it to bid for Homes England grant funding for new affordable housing schemes. Authority is sought to enter into the necessary legal agreements in order to join the Wayfarer Consortium and to access the funding to help fund the development of new affordable homes

RECOMMENDATIONS:

1. That the Corporate Head of Housing, in consultation with the Legal Services Manager, be authorised to enter into the Wayfarer Consortium Agreement, Deed of Adherence and Deed of Variation.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 Delivering quality housing options – Homes England grant supports the delivery of new affordable housing without which some schemes would not proceed

2 FINANCIAL IMPLICATIONS

- 2.1 There is no basic fee to be a member of the Wayfarer Consortium (with Radian as the Lead Registered Provider), however a fee (£350 plus VAT) is payable to the Consortium on the completion of each unit where grant has been obtained through the Consortium and £50 plus VAT for each nil grant funded dwelling delivered under the Grant Agreement. There is an additional fee for the preparation of legal documents referred to in this report which will be shared equally by all 18 consortium members, which is estimated to be approximately £300 each.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Council will remain responsible for procurement in relation to each housing scheme (including professional services) in compliance with public procurement legislation and its own procedure rules and the consortium will assist in relation to the bidding and monitoring of any Homes England grant.

4 WORKFORCE IMPLICATIONS

- 4.1 Using the consortium approach will reduce the burden on Council Officer time in the submission and monitoring of Homes England grant.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The viability of affordable housing schemes is becoming increasingly challenging which has been recognised by the Government who have increased the grant available. Without grant some of the Council's new affordable housing schemes may not be viable.

6 CONSULTATION AND COMMUNICATION

- 6.1 Members of Cabinet (Housing) Committee were advised in October 2017 that the Council were considering the use of Wayfarer to secure Homes England grant funding for The Valley development, there were no objections to the principle. Cabinet (Housing) Committee resolved to authorise the submission of a grant funding bid to support the development of homes at The Valley.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None

8 EQUALITY IMPACT ASSESSEMENT

8.1 None

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required – no individual privacy implications

10 RISK MANAGEMENT

10.1 There is very little risk associated with being a member of the Consortium, the Council will still have to enter into an individual funding agreement with Homes England for each grant application which sets out the terms (for example under what circumstances grant would have to be repaid). One of the advantages of being a member is that any unspent allocations of grant, either by the Council or other consortium members can be reallocated to other schemes. This reduces the reputational risk for all parties.

Risk	Mitigation	Opportunities
<i>Unspent grant allocation</i>	Reallocated to other consortium members	Additional grant may be available for WCC

11 SUPPORTING INFORMATION:

11.1 The Council has applied to be, and has been, accepted as a member of Wayfarer, a consortium of 18 different registered housing providers, including housing associations and local authorities, who provide affordable housing. Wayfarer was established in 2003 and has a membership, which extends from Cornwall to London. Between them the partners have housing stock in excess of 100,000 homes and have levered in over £275m of Homes England grant allowing them to provide around 9000 units.

11.2 It is through this partnership that the Council intends to bid for grant funding from Homes England. Membership will increase the opportunities for securing grant, for instance by improving the quality of bids and providing Homes England with greater spend certainty, and lead to administrative efficiencies. It will also provide faster, more ready access to Homes England bid clinics (that are responsible for allocating grant) which in turn will add certainty to the development process and help accelerate the provision of new affordable housing.

11.3 It is the intention of the Council to use the Wayfarer Partnership to bid for funding under the Shared Ownership Affordable Homes Programme 2016-

2021 through this mechanism due to the benefits offered. Any grant outside of this would be bid for directly by the Council.

- 11.4 In order to access funding each partner must sign legal agreements. Specifically the Council must sign:
- 11.5 **Consortium Agreement.** This sets out the responsibilities of the lead registered provider (Swaythling Housing Society) including liaison with Homes England, programme monitoring and bid submission. The principal responsibilities placed on partners are the identification of opportunities for development, providing information to allow bids for grant funding to be made and the delivery and management of new homes. The Agreement also sets out the responsibilities of partners, including, payment of partnership costs (as set out in the agreement), compliance, termination and audit.
- 11.6 **Deed of Adherence.** It is necessary for the Council to sign this as we are joining an existing Consortium. It ensures that new members of the Consortium comply with terms of the Grant Agreement entered into by the original Consortium members with the Homes and Communities Agency (being the predecessor to Homes England) on 22 November 2017 in connection with the delivery of affordable housing.
- 11.7 **Deed of Variation.** This is intended to be supplemental to the above mentioned Grant Agreement, and contains variations principally around the timings of grant payments.
- 11.8 It is recommended that the Corporate Head of Housing in conjunction with the Head of Legal Services be authorised to enter into the Wayfarer Consortium Agreement, Deed of Adherence and Deed of Variation.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 The Council has bid for grant directly to Homes England without being part of a consortium. There is however a significant administrative burden associated with the tasks involved in this process which consists of inputting, monitoring and quarterly updates to Homes England for each grant claim. Additionally as part of the consortium we can access up to date market intelligence on the grant per unit claims being submitted by other members which we can use when making our own bids.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

None

Other Background Documents:-

Consortium Agreement

Deed of Adherence

Deed of Variation

APPENDICES:

None.