

Eden District Council
Housing and Health Portfolio

17 April 2020

**Grant Funding Agreement relating to the provision of
Affordable Housing at Newton House, Penrith**

Portfolio:	Housing and Health
Report from:	Assistant Director Community Services
Wards:	Penrith West
OPEN PUBLIC ITEM	

1 Purpose

- 1.1 To present for approval the Grant Funding Agreement in relation to the provision of affordable extra care housing at Newton House, Penrith.

2 Recommendation

- 2.1 It is recommended that the Grant Funding Agreement between Eden District Council and Housing 21 be approved.

3 Report Details

- 3.1 At Budget Meeting Executive Committee on 22 January 2019 the approved Capital Programme for 2018-2023 contained a commitment to fund a £288,000 contribution to Newton Road, Penrith extra care housing scheme. This was to be funded from existing S106 contributions held within the Affordable Housing Fund Reserve.
- 3.2 Following approval of full planning permission on 12 November 2018 (Planning Ref 18/0913) for a 54 Extra Care housing scheme (comprising 26 apartments for affordable rent and 28 apartments for shared ownership) and the subsequent signing of the associated S106 Agreement on the 14 June 2019, a Grant Funding Agreement (attached to this report as **Appendix 1**) has been prepared.
- 3.3 The Grant Funding Agreement is between the Council (the Funder) and Housing 21 (the housing provider and Recipient). The agreement sets out the terms of the £288,000 grant in relation to the provision of affordable extra care housing at Newton House; principally, the Recipient acknowledges and agrees that:
- The Grant is provided by the Funder on the express understanding that it is applied solely for the purposes of providing and retaining in perpetuity 54 Affordable Housing Units, comprising 26 units for rent and 28 units for Shared Ownership being Extra Care Housing, as indicated on the attached plan, at Newton Road, Penrith and;

- the Affordable Housing Units shall be used and continue to be used in perpetuity for the provision of Affordable Housing for persons with a Local Connection only.
- 3.4 The terms of the payment of the grant are set out in Clause 3 of the Grant Funding Agreement and are summarised below:
- The Funder shall pay one half of the grant being the sum off £144,000 to the Recipient following the completion of this agreement on receiving a written request from the Recipient.
 - The Funder shall pay one half of the grant in the sum of £144,000 to the Recipient following the practical completion of the 54 Affordable Housing Units.
- 3.5 Of note, the Grant Funding Agreement requires the Recipient to take account of any nominations made by the Council in determining to whom the affordable extra care apartments should be let or sold. In this regard, the Recipient is required to adhere to a Joint Working Protocol (attached to the Grant Funding Agreement and shown in **Appendix 2**) entered into by the Care Provider, Housing Provider, Cumbria County Council and Eden District Council.
- 3.6 The principles underpinning the Joint Working Protocol were established in collaboration with Cumbria County Council and all District Councils across Cumbria, with the aim of facilitating extra care housing within the County. The Joint Working Protocol for Newton House has been tailored to ensure compliance with the obligations of the Section 106 Agreement and the District Council's Grant Funding Agreement, as well as guaranteeing District Council representatives are able to sit on the schemes Selection Panel allowing nominations to be considered from our Housing Register.

4 Policy Framework

- 4.1 The Council has four corporate priorities which are:
- Sustainable;
 - Healthy, safe and secure;
 - Connected; and
 - Creative
- 4.2 This report meets 'Healthy, safe and secure' corporate priority by improving the housing stock to meet an identified affordable need.

5 Consultation

- 5.1 The Housing and Health Portfolio Holder has been consulted in the drafting of the Grant Funding Agreement.

6 Implications

6.1 Financial and Resources

- 6.1.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2019-2023 as agreed at Council on 7 November 2019.

The proposals within this report fit within the criteria of the approved Capital Programme and are funded from existing S106 contributions held within the Affordable Housing Fund Reserve.

6.2 Legal

- 6.2.1 The Grant Funding Agreement has been prepared by the Council's Legal Department and ensures the Council's criteria for spend is met.

6.3 Human Resources

- 6.3.1 There are no Human Resources implications arising from this report.

6.4 Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	No implications
Health, Social Environmental and Economic Impact	A 100% affordable Extra Care Scheme within Penrith West has the potential to have positive health, social, environmental and economic impacts for persons within the Ward
Crime and Disorder	No implications
Children and Safeguarding	No implications

6.5 Risk Management

Risk	Consequence	Controls Required
That the Grant Funding Agreement is not awarded to the Housing Provider	Development of the affordable Extra Care Housing Scheme would not reach completion	Continued cooperation and joint working with the Housing Provider to ensure a Grant Funding Agreement can be approved in a timely manner

7 Other Options Considered

- 7.1 No other options are considered.

8 Reasons for the Decision/Recommendation

- 8.1 The Grant Funding Agreement meets the aims of the Affordable Housing Fund and if approved would assist the Council in meeting an identified affordable housing need improving housing and contributing to a 'Healthy, safe and secure' district, a Corporate Priority.

Tracking Information

Governance Check	6 April 2020
Chief Finance Officer (or Deputy)	Prepared in consultation with Finance
Monitoring Officer (or Deputy)	Prepared in consultation with Legal
Relevant Director	Les Clark

Background Papers: None

Appendices: Appendix 1 – Grant Funding Agreement relating to the provision of Affordable Housing at Newton House, Penrith
Appendix 2 – Joint Working Protocol

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