

Report of	Assistant Director of Place and Client Services	Author Terri Hamilton ☎ 07870 542949
Title	Homes England Compliance Audit Report – Social Housing Development	
Wards affected	Lexden and Braiswick	

1. Executive Summary

- 1.1 The Council agreed (at Cabinet on 30 January 2019) ambitious plans to deliver a “New Council Housing Programme” that will deliver up to 350 extra affordable homes over 5 years. Several schemes have been delivered to provide new homes through different methodologies. One of these methods is to build new homes on underused garage sites, with different Phases in the 5-year programme. Phase 2 has now completed and Phase 3 has seen planning permission obtained at 5 sites now getting ready for construction.
- 1.2 In March 2021, Cabinet gave approval for the Council to bid for grant funding from Homes England towards its affordable housing development programme, by applying for Investment Partner Status. The Council was successful in its application and has received various grant funding towards the affordable housing developments totalling £1.44m so far.
- 1.3 As a requirement of the Investment Partner Status, and receipt of this grant, the Council are subject to an annual compliance audit that must be reported back to the Cabinet. This report sets out the first compliance audit from Homes England to meet this requirement and also provides assurance that the Council has met all of Homes England’s requirements and funding conditions, properly exercising all of the responsibilities as a Council. The review was completed by Homes England’s internal auditors and the National Audit Office.

2. Recommended Decision

- 2.1 To note the contents of the report..

3. Reason for Recommended Decision

- 3.1 Homes England have given grant funding towards several of the Council’s “New Council Housing programme” social housing developments. It is a requirement of the Homes England grant funding, and the Council’s achieved “Investment Partner Status”, that an annual compliance check is undertaken and that the findings are reported to the Cabinet. Homes England have selected a site at random, which has been audited, and the Council has met all of the funding obligations.

4. Alternative Options

- 4.1 Not applicable

5. Background Information

- 5.1 In January 2019, Cabinet approved Housing Revenue Account (HRA) borrowing of up to £75m to deliver up to 350 new council homes over 5 years. Since the approval of the “New Council Housing Programme”, the Council has progressed a number of development projects in partnership with Colchester Amphora Homes Ltd (CAHL), the Council’s wholly owned development company, and Colchester Borough Homes (CBH), the Council’s ALMO.
- 5.2 In September 2020, as the New Council Housing Programme progressed, Homes England launched the 2021 to 2026 Affordable Homes Programme, inviting applications for bids from December 2020 under Continuous Market Engagement (CME). The 2021-2026 Affordable Homes Programme made £7.39bn available to deliver up to 130,000 affordable homes from April 2021 to March 2026. The programme supports both Social and Affordable Rented tenures as well as Routes into Home Ownership.
- 5.3 In March 2021, Cabinet gave approval for the Council to bid for grant funding from Homes England towards its affordable housing development programme, by applying for Investment Partner Status. The Council was successful in its application and has claimed approximately £1.44m of grant funding towards the affordable housing developments since that time.
- 5.4 As part of the funding requirements, Homes England have selected a site at random from some of the projects that were being completed by the Council. Specifically, the Phase 2 Garage Sites, that delivered 16 new build affordable homes at Scarfe Way, Buffett Way and Hardings Close, and a further 10 affordable homes at Creffield Road and Military Road.
- 5.5 Hardings Close was selected for audit by Homes England in quarter 2 of 2022. The Audit Report and recommendations are required to be brought to the attention of Cabinet. This report meets that requirement, and demonstrates, for the record, that the Cabinet met, in full, and viewed the attached Compliance Audit Report, highlighting that all compliance checks, as required in receiving the Homes England grant funding, have been met for this site.
- 5.6 The Council received the compliance audit report for Hardings Close in November 2022. The full report is attached as Appendix A for the Cabinet’s review. The next audit will be due in quarter 2 of 2023.

6. Equality, Diversity and Human Rights implications

- 6.1 There are none relevant to this specific report, but the New Council Housing Programme is aimed at providing homes to those most in need, including a higher disproportionate percentage of vulnerable residents compared to the general population in private homes.

7. Strategic Plan References

- 7.1 Not applicable – for noting only.

8. Consultation

- 8.1 Not applicable – for noting only.

9. Publicity Considerations

9.1 Not applicable – for noting only.

10. Financial implications

10.1 The Council has received £1.44m of grant funding, from Homes England, for the New Council Housing Programme, to date. Homes England will continue to provide grant funding towards new social homes delivered through the rest of the Programme. Therefore, compliance with their funding requirements is beneficial to the financial viability of delivering new homes within the Housing Revenue Account (and by extension helps the Council budgets with continuing to deliver wider works such as maintenance of existing properties and carbon reduction / energy efficiency works).

11. Health, Wellbeing and Community Safety Implications

11.1 Not applicable – for noting only.

12. Health and Safety Implications

12.1 Not applicable – for noting only.

13. Risk Management Implications

13.1 Not applicable – for noting only.

14. Environmental and Sustainability Implications

14.1 Not applicable – for noting only.

Appendix A – Compliance Audit Report – Hardings Close