



# **Local Authority Affordable Housing Grant Funding 2016**

## **Instructions for Bidding**

**London Borough of Enfield**

**June 2016**

**PLEASE READ THESE INSTRUCTIONS CAREFULLY BEFORE  
SUBMITTING YOUR BID**

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## 1. Introduction

No information contained in the Grant Bid Form or in any communication made between the London Borough of Enfield, (“**the Authority**”) and any Registered Provider (“**the Registered Provider**”) in connection with the Grant Bid Form shall be relied upon as constituting a contract, agreement or representation that any contract shall be offered in accordance with the Grant Bid Form.

The Authority reserves the right to change, without notice, the basis of, or the procedures for the bidding process, or to terminate the process at any time. Under no circumstances shall the Authority incur any liability in respect of Providers completing and submitting the Grant Bid Form or any supporting documentation.

The Authority seeks to provide grant funding to suitably competent and capable Providers to develop and manage **Affordable Rented Homes** to meet identified housing needs of the local community. The Authority is looking for Providers who will have a long term commitment to making the Borough a place that people choose to live, work and enjoy.

The Authority recognises that many organisations will be able to work with the Council to deliver affordable rented homes. In order to safeguard the grant funding and the long term community benefit from the homes delivered with this funding, the Authority will favour bids from organisations that are Registered Providers (RP) and Greater London Authority (GLA) Investment Partners. Providers will also be required to demonstrate a long term commitment to providing and managing homes in the Borough.

### Submitting Your Bid

We are pleased to announce a period of Continuous Market Engagement. This is to ensure we use any remaining right to buy receipts to fund a pipeline of affordable housing development schemes in Enfield.

Grant funding is now available to Registered Providers who will achieve practical completion during the following years;

- 2017/2018
  - 2018/2019
  - 2019/20120
- and
- 2020/2021

Grant funding is available for up to a maximum of 30% of total scheme costs (land, build and allowable on-costs). This maximum proportion is set by the Secretary of State for Communities and Local Government and cannot be increased by the Authority. In addition, due to this arrangement, this Grant has to be the only public subsidy funding for each and every affordable rented dwelling delivered with this funding. Please note that this does not exclude other public subsidy funding of other tenure homes on the same site, however there will have to be a clear separation of and accounting for costs and funding for scheme audit and grant funding processes. Discounted or free land is not counted as public subsidy for this Grant Programme.

The Authority will require successful bidders to enter into a Grant Agreement and a Nominations Agreement with the Authority. The first is to secure the delivery of the affordable homes and meet grant spend deadlines, the second is to ensure that Authority benefits from the affordable homes by being able to nominate households in housing need to occupy the dwellings.

The Providers will be required to provide regular scheme progress updates up to first let of the new homes, then quarterly nominations monitoring reports thereafter.

## 2. General Requirements

The Authority is seeking bids from suitably qualified and capable Registered Providers who will procure the delivery of and manage affordable rented homes in the London Borough of Enfield, specifically:

- The development and long term management of affordable rented housing;
- The development of sites in the London Borough of Enfield to provide affordable rented housing;
- Making the most efficient use of resources provided by the Authority to deliver new affordable rented homes;
- To deliver the affordable homes within the agreed time frames.

Bidders will also be expected to deliver the following services:

- To provide appropriate high quality management services for the affordable housing;
- To agree with the Authority and other partners from time to time standards for the management of affordable housing;
- To cooperate with the Authority and other partners to provide tenure neutral management and maintenance services in line with the Authority's Neighbourhoods Model of service delivery.

The authority is seeking bids from Providers that:

- Own and manage a range of dwellings in Enfield
- Have the capability and capacity to deliver high quality, accessible, energy efficient and sustainable homes;
- Can demonstrate a commitment and ability to provide homes and related maintenance and management services with the minimum amount of adverse environmental impact;
- Have the aptitude for and experience in providing high quality housing management and maintenance services;
- Can demonstrate an understanding of and commitment to diversity and equality of opportunity;
- Can demonstrate their ability to provide a responsive, proactive, customer focused and targeted services;
- Can demonstrate a commitment to the social, economic and environmental regeneration of the Borough;
- Can demonstrate a long term commitment to place shaping and improving outcomes for local households and businesses.

**Bidders must note and will be required to certify that they understand that the Authority may not be able to pay this grant to the Provider if grant claims are not submitted by the agreed grant claim dates.**

Where any Provider believes that any part of the bid Form and required supporting information is ambiguous, capable of more than one meaning or inconsistent, the Provider must raise this as a clarification question before submitting a bid. Any claims made by Providers that any part of the documentation was ambiguous or capable of more than one meaning or inconsistent, made after the submission of a bid will not be considered unless the Provider has specifically and fully raised the issue and received a response from the Authority prior to submitting a bid.

### **3. Additional Information**

All requests for clarification or further information in respect of bids for this Local Authority Affordable Housing Grant Funding should be made to:

Housing Development & Renewal  
Regeneration & Environment  
Enfield Council  
Silver Street  
Enfield  
EN1 3XA

Owen Plummer  
Development Officer  
E-mail: Owen.Plummer@Enfield.gov.uk  
Tel: 020 8379 5567

The Authority expressly reserves the right to require a Provider to provide additional information supplementing or clarifying any of the information provided in any bid.

The Authority will not reimburse any costs incurred by Providers in connection with preparation of bids or commitments made or undertakings to third parties prior to the Authority confirming its intention to allocate grant funding to a specific scheme proposal.

### **4. Freedom of Information**

The Authority is committed to open government and to meeting their legal responsibilities under the Freedom of Information Act 2000. Accordingly, all information submitted to a public authority may need to be disclosed by the public authority in response to a request under the Act. The Authority may also decide to include certain information in the publication scheme, which the Authority maintains under the Act.

If a Provider considers that any of the information included in their bid is commercially sensitive, it must identify it and explain (in broad terms) what harm may result from disclosure if a request is received, and the time period applicable to that sensitivity.

Providers must be aware that, even where they have indicated that information is commercially sensitive, the Authority might be required to disclose it under the Act if a request is received.

Providers must also note that the receipt of any material marked 'confidential' or equivalent by the Authority shall not be taken to mean that the Authority accepts any duty of confidence by virtue of that marking.

## 5. Instructions for Bidding

Providers must follow the instructions outlined below when completing the **Bid Form**.

Providers must answer all questions as accurately and concisely as possible in the same order as the questions are presented. Where a question is not relevant to the Provider's organisation or bid, this should be indicated, with an explanation.

Providers must not repeat answers in different sections.

Questions must be answered in English.

Written statements and other supporting documents must be provided as a Word document, Excel workbook or as a PDF file. There is no limit on the amount of supporting information and documents that can be provided to support a bid, though concise responses are to be encouraged.

Completed bids can be submitted by email to the Housing Development & Renewal Team contacts named on the previous page. Acknowledgement of receipt of bid will be sent to the Provider within five working days of receipt.

The bids will be evaluated by Council officers in terms of deliverability, value for money, i.e. maximises the number of bed/person spaces per pound of grant and affordability for local people. The Council will endeavour to provide a decision in principle within four (4) weeks of receiving a fully completed bid. This decision, however, will be subject to entering into a grant agreement with the Council.

The Authority is not bound to accept any bid from any organisation and reserves the right to terminate the bidding processes at any time. Further, any action on the part of the Authority or a Provider which might be construed as creating a legal relationship will not be construed as such, save as may be inferred at law, or there is specific correspondence or agreement creating a contractual relationship.

## **6. Evaluating Bids**

All questions on the Bid Form must be answered. Where the question is not applicable to the Provider or the bid this should be indicated with an explanation. response must be N/A. Supporting documents can be attached as Word documents, Excel workbooks and .pdf files. There is no limit on supporting statements and supporting documents, but bidders are recommended to keep supporting statements to one side of A4 with font size no smaller than 11 point.

### **Assessment Process**

An assessment will be made by the Authority on the basis of the quality of responses. The assessment will take into account the economic and financial standing and the technical or professional ability of the Provider, as well as the details provided on the Bid Form and in support of the bid.

Allocation of this Grant will also depend on certainty of delivery, particularly on how confident the Council is that the grant will be claimed by the dates set out on the bid form. This is because the Authority will have to return unspent retained Right to Buy receipts to central government with significant financial penalties, should the Authority not spend the minimum amounts by the end of the quarters as set out in Section 1 above.

### **SECTION A – Organisation and Contact Details**

This is largely self-explanatory but please be sure to provide accurate contact details, an error in telephone number(s) or email address(es) could prevent the Authority making contact with the Provider.

Registration with the Homes and Communities Agency (HCA) as a Registered Provider of affordable housing and the Greater London Authority (GLA) as an Investment Partner is a pre requirement for this Grant Funding. It is important, however, for the Authority to be able to satisfy itself that the Provider has robust governance arrangements to protect any public sector investment, as well as appropriate arrangements to deliver high quality affordable housing. This can be provided in the Delivery Statement in Section D-3 of the bid form.

### **SECTION B – Scheme Proposals (Dwelling numbers, sizes and proposed rent)**

This section is for details of the dwellings to be procured and/or constructed.

#### **B-1: Site Name and Address**

Full address and red lined site plan is required in case there is a need to establish ownership or there are competing bids for the same site. For Purchase & Repair scheme bids we will accept 'various existing street properties' if potential purchases have not been identified at the time of submitting the bid.

#### **B-2: Scheme Type**

This is largely self-explanatory, tenure conversion (for e.g. from temporary accommodation to permanent affordable rented) would be Other.

### B-3: Dwelling Details

It is important to provide as much information as possible and available on property sizes for all the affordable rented homes to be funded with Grant. On mixed tenure developments bidders must also provide some information on the number and size (number of bedrooms and person occupancy will suffice) of dwellings that will not be funded with Grant Funding (low cost home ownership and/or open market sale).

### B-4: Proposed Rent Levels

This grant funding is only available to support the provision of Affordable Rent homes. The table below sets out the maximum rent as a proportion of open market rents that is set out in the Council's guidance as affordable. When assessing maximum weekly rent the Authority will include service charges. The total weekly rent and service charge must be below the Local Housing Allowance (LHA) for the size of dwelling.

	<b>1 bed</b>	<b>2 bed</b>	<b>3 bed</b>	<b>4 bed</b>
<b>% of market rent</b>	Up to 80%	Up to 70%	Up to 60%	Up to 60%

### London Living Rent

Guidance from the GLA proposes a new intermediate rent product called the London Living Rent, (LLR). As details have yet to be provided we anticipate it will be capped at one third of local tenants' average income. The Median Household income in Enfield is £32,472 (estimated in 2015).

Using the above figure as a basis and subject to confirmation from the GLA we estimate the monthly rent for a two bed dwelling applying the LLR, would be £208 per week.

### B-5: Tenancies and Nomination Rights

Tenancies should be offered for a 5-year term. The council will receive 100% nomination rights in perpetuity to grant funded dwellings.

### B-6: Design Statement

The Authority is committed to providing high quality affordable homes and would expect information on how the bidder/Provider will deliver attractive homes that meet and exceed minimum local, regional and national standards on accessibility and sustainability.

## **SECTION C - Funding**

The funding available is sourced from retained Right to Buy receipts and can only be used to fund Affordable Rent Homes. All bidders must provide cost and funding figures for the affordable rent scheme that will be the subject of the bid.

### C-1: Financial Assumptions

The Department of Communities and Local Government rules regarding the use of Right to Buy receipts mean affordable rent dwellings funded with retained right to buy receipts (the source of this LA grant funding) cannot have any other public subsidy contributions (e.g. GLA grant, RCGF); the only exception of discounted or free public sector land. This Grant, however, can only be paid as a proportion of actual

expenditure, so actual price paid for land must be shown in the Affordable Rent Land Cost cell, rather than the current or expected final use valuation. Details of valuation of free or discounted land can be set out in the funding statement at C-3.

The Authority will request a purchase completion statement prior to paying any grant. Please also note, any requests for payment must be accompanied by, **“Certificate & Invoice for Payment”**, which must be completed by both the grant recipient’s Chief Finance Officer and Employer’s Agent.

On larger schemes (more than 10 dwellings) the Council would usually be looking for a mix of tenures to include low cost home ownership and open market homes, but will not be able to provide funding for these. Details of how these other homes on mixed tenure developments will be funded must be provided as the Authority will have to assess whether the entire development is financially viable.

See also the notes on the form, key requirement is the affordable rent scheme cannot show an unfunded deficit (total funding must not be less than Total Scheme Cost).

#### C-2: Grant Claims Forecast

In relation to housing development schemes we propose to make payment in two tranches i.e. at, “start on site” and on, “practical completion”. For Purchase and Renovation schemes payment will be at “exchange” and on “completion”. Payment for each stage will be made on a 50 : 50 basis. We will, however, consider reviewing the timing of payments by the Council subject to further negotiation after acceptance of your bid.

Achieving grant claim dates will be critical to ensure the Authority achieves grant spend targets so the Authority will pay particular attention to grant claim forecasts when assessing bids. Using the, “London Borough of Enfield – Local Authority Affordable Housing Grant Funding 2016”, Worked Example enclosed, please provide details of anticipated expenditure for each financial quarter.

It is recommended that bidders provide some assurance to the Authority that these dates are deliverable in the Delivery Statement at D-3.

### **SECTION D - Deliverability**

#### D-1: Indicative Programme

The grant funding is time limited and the Authority has to spend specified amounts by the end of every quarter. The Authority, therefore, needs as much certainty over delivery as it is practically possible, and expects a realistic rather than optimistic project programme. For Purchase and Repair bids dates for Start on Site and Practical Completion can be provided.

#### D-2: Risk Log

Bidders are required to provide a high level risk log to support the indicative programme for the reasons set out above and in the previous commentary on Grant Claims Forecast.

#### D-3: Delivery Statement

Bidders will be expected to provide a concise narrative, not exceeding 300 words, on how the scheme will be delivered, with particular attention on achieving milestones for grant claim dates. Please see,

“London Borough of Enfield – Local Authority Affordable Housing Grant Funding 2016”, Worked Example.

## **SECTION E - Declaration**

All providers returning completed Bid Form are required to make declarations. Any Bid submission that does not have a signed declaration will not be considered.

## **7. Submission of Completed Bid Forms**

Completed bids can be submitted by email to the Housing Development & Renewal contacts named in section 3 (Additional Information). Emailed submissions are preferred as this will enable copies of the bids to be circulated to a number of council officers for assessment. Acknowledgement of receipt of bid submission will be sent to the Provider within one working day of receipt.

Bid forms may be submitted at any time. Bidding will be open until all the available funding is allocated or the Authority decides to terminate the bidding process. Providers will be informed of any reasons for the Authority terminating the bidding process.

## **8. Queries about the Process**

The Authority reserves the right to enter into detailed discussion with any potential bidder should clarification be required prior to submitting bids.

Any clarifications will be confirmed in writing via email by the Authority to the bidder. This correspondence will not create a legal relationship and will not be construed as such, save as may be inferred at law, or there is specific express agreement creating a contractual relationship

If the Authority considers any question or request for clarification to be of material significance, both the question and the response will be communicated to all Providers who have expressed an interest, or who have submitted a bid. The Authority reserves the right to amend the bidding process in response to questions and requests for clarification.

All responses received and any communication from Registered Providers will be treated in confidence but will be subject to the Freedom of Information Act.

## **9. Bid Assessment**

The Authority may seek independent financial and market advice to validate information provided or to assist in the evaluation. The Authority reserves the right to request references, conduct reference site visits, and ask for presentations as part of the bid assessment process and to satisfy itself that the Provider is a fit and proper organisation to award grant funding to.

The Provider will be allowed to revise their bid after submission.

The Authority will confirm the success (or otherwise) of a bid within 30 calendar days in writing to the provider.

The provider will be required to enter into a Grant agreement and a Nominations Agreement. The provider should satisfy itself that the form of agreements are acceptable to the Provider

**10. Additional Information**

Providers can access additional background information on the Authority’s objectives, strategies and plans on the Authority’s website at <http://www.enfield.gov.uk>