

CABINET

Annex 4 –Summary of legal advice on Grant Agreement (LA) in relation to the Single Homeless Accommodation Programme 2023-2028 (SHAP 23-28)

the Homes England Bournemouth, Christchurch and Poole Council (5069) - AHP 2023 - 2028



Homes England are responsible for administering grants being made by DLUHC pursuant to Section 19 of the Housing and Regeneration Act 2008 to Local Authorities under the SHAP 23-28 programme.

The Council have been successful in securing an initial grant from the programme in the sums of:

- I. £6,190,000.00 as a capital grant to facilitate the provision of dwellings to individuals within the target group; and
- II. £3,727,803.00 as a revenue grant to reimburse revenue costs of providing support services to the target group.

Once drawn down the monies must be used in accordance with the terms of a grant agreement.(The "Agreement".)

The Council has the power to enter into the Agreement with Homes England under the general power of competence provided for in the Localism Act. Full Council approval must be given for the Council to enter into the Agreement and a Council solicitor needs to sign a legal opinion in the form set out in Schedule 11 of the Agreement to confirm this.

The Agreement is detailed and complex and in order to fully appreciate its terms extensive reference must be made to the glossary in Clause 1.

In addition, the terms of the “Capital Funding Guide”, published on the government’s website at <https://www.gov.uk/guidance/capital-funding-guide>, are incorporated within the Agreement and must therefore be consulted in conjunction with the Agreement.

The Agreement contains many terms which place a burden on the Council to comply with stringent conditions. These include under Clauses 12 to 16, delivery, operational, review, monitoring, reporting and transparency obligations.

There are additional requirements to make extensive warranties to Homes England throughout the duration of the Agreement. These will form part of the contract between the parties.

Under Clause 24 there are detailed provisions entitling Homes England to terminate the Agreement, to withhold payments under Clause 22 and to require the Council to repay the grant monies to Homes England under Clause 23.

In the event that the decision is made to enter into the Agreement it will be important to ensure that at an operational level there is detailed knowledge and understanding of the obligations imposed by its terms. Particular attention should be paid to Clause 23 pursuant to which Homes England reserves the right to recover the grant monies in the circumstances detailed in that Clause. (It is important to note that such circumstances include breaches of the extensive provisions referred to above.)

It is understood that there is no scope to negotiate the terms of the Agreement with Homes England. If the Council is not prepared to accept the Agreement as written then the grant monies will not be paid.

Whilst it is noted that the Agreement places a number of burdens on the Council this should be balanced against the value of the grant in supporting the Council to achieve the delivery of affordable housing.