

BABERGH DISTRICT COUNCIL

TO: Babergh Cabinet	REPORT NUMBER: BCa/21/48
FROM: Cabinet Member for Housing	DATE OF MEETING: 4 th April 2022
OFFICER: Hazel Ellard	KEY DECISION REF NO. CAB337

Homes England 2021/22 Compliance Audit Programme – Ipswich Road, Brantham

1. PURPOSE OF REPORT

- 1.1 In quarter 3 of financial year 2021/22 Homes England required a compliance audit to be undertaken on the affordable housing development at Ipswich Road, Brantham in relation to the grant received for the development from Homes England totalling £630,000.
- 1.2 In January 2022 the Council received the outcome of the audit from Homes England, which gave the scheme a green light for compliance.
- 1.3 Homes England require Babergh District Council to acknowledge the contents of the report so that this can be reported on Homes England's Investment Management System. Homes England require this acknowledgement to be made by 17th April 2022.

2. OPTIONS CONSIDERED

- 2.1 There are no options to consider

3. RECOMMENDATIONS

- 3.1 That Babergh District Council formally acknowledge the compliance audit received from Homes England in relation to the affordable housing development at Ipswich Road, Brantham.

REASON FOR DECISION

To meet the obligations set out in the funding agreement between the Homes and Communities Agency (now Homes England) and Babergh District Council in relation to the Shared Ownership Affordable Homes Programme 2016-2021

4. KEY INFORMATION

- 4.1 The Council owned site at Ipswich Road, Brantham recently completed with the delivery of 9 homes for social rent. The development was part funded through a grant allocation of £630,000 from the Government's Shared Ownership and Affordable Homes Programme 2016-2021. Homes England through their Investment Management System require providers in receipt of grant funding to include milestones for delivery which relate to payment of the grant. Homes England carry out audit and compliance checks of providers at regular intervals to ensure the

paperwork and governance procedures are in place for the delivery of grant funded affordable housing.

- 4.2 Babergh District Council appointed RSM Risk Assurance Services Ltd to provide records and information to the compliance repository, with Icen Homes who were project managing schemes on the Council's behalf providing the evidence and paperwork to the auditors.
- 4.3 The Compliance Audit is set out in Appendix A and shows a green for compliance with no breaches.
- 4.4 The new affordable homes development at Ipswich Road, Brantham received £630,000 of grant funding from Homes England through the Shared Ownership Affordable Homes Programme 2016-2021. The scheme received £472,500 at start on site in November 2020 and the final practical completion payment of £157,500 in January 2022.

5. LINKS TO CORPORATE PLAN

- 5.1 Links directly with the housing corporate objective and delivery of new housing, owned and managed by the Council, as set out in the housing delivery plan.

6. FINANCIAL IMPLICATIONS

- 6.1 Babergh District Council appointed RSM Risk Assurance Services Ltd to provide records and information to the compliance repository at a cost of £2,500 to the Council.
- 6.2 Babergh District Council received £630,000 from the Homes England affordable homes programme to deliver 9 social rented homes at Ipswich Road, Brantham. This equates to £70,000 of funding per property.

7. LEGAL IMPLICATIONS

- 7.1 None

8. RISK MANAGEMENT

- 8.1 Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Failure to meet the requirements of the Capital Funding Guide could adversely affect the Councils' ability to access funding for new homes from Homes England.	Unlikely	Noticeable	The Compliance Audit Programme provides assurance that organisations receiving grant have met with all Homes England's requirements and funding conditions, and that providers have properly exercised their responsibilities as set out in the Capital Funding Guide, contract and any other supplementary compliance

		audit criteria. The scope of the audit includes matters such as compliance with grant conditions, compliance in rent setting, contractor appointment and management and compliance in obtaining relevant planning and other approvals. Homes England use the audit findings to inform future investment decisions and to reassure them that public funds have been used properly. The Council received a 'Green' grading with no breaches identified for this scheme
--	--	--

9. CONSULTATIONS

9.1 None undertaken

10. EQUALITY ANALYSIS

10.1 There are no equality issues arising from this report

11. ENVIRONMENTAL IMPLICATIONS

11.1 There are no environmental issues arising from this report.

12. APPENDICES

Title	Location
(a) Homes England Compliance Audit report – 2021/22. 42UB – Babergh District Council	Attached

13. BACKGROUND DOCUMENTS

NONE

REPORT AUTHORS Hazel Ellard

Assistant Manager (Strategic Property)

hazel.ellard@baberghmidsuffolk.gov.uk 01449 724657