

## **HCA Empty Homes Programme – Bidding round FAQ**

**Q. What are the contractual consequences for non-delivery in the EH programme and does this have any impact where a provider is also delivering an AHP 11-15 allocation?**

**A.** The Empty Homes Framework Delivery Agreement will make various remedies available to the Homes and Communities Agency to rectify poor or non-performance. The HCA will seek to exercise such remedies in a proportionate and reasonable way and give providers time and support to remedy delivery issues. The ultimate sanction available to the HCA is to take back the allocation and redistribute the allocation to other providers active in the programme with a proven delivery record.

Whilst both the Empty Homes and Affordable Homes programmes will be managed by a separate standard form of Framework Delivery Agreement, where the remedies for poor or non-performance are similar, there is no direct link between poor or non-performance by a provider active in both programmes.

**Q. Is it possible to submit offers for ‘speculative’ schemes units?**

**A.** The Empty Homes programme allows for providers to submit offers which are a combination of both firm and indicative schemes / units.

**Q. In a consortium bid, at delivery stage, can the units in individual bids lines be redistributed to different local authorities covered by the consortium bid?**

**A.** No. Allocations will be made based on the information provided in the bid and at local authority level. As such it will be expected that that number of units within the local authority identified within each bid line will be delivered. In the event of non-delivery and in the event that the remedies available to the Homes and Communities Agency are unable to rectify poor or non-performance, the HCA will take back the allocation and redistribute the allocation to other providers active in the programme with a proven delivery record. There is no assumption that this will be the providers within the consortium

**Q. Why have the HCA published revised Empty Homes bidding templates?**

**A.** We have published a revised set of bidding templates in order to correct an error in the calculation of cell H39 in Table 5a of the “Bid” worksheet i.e. “AFFORDABLE RENT Est. rental income pa (gross rent after service charges & before management & maintenance) for ALL AFFORDABLE RENT homes”.

The calculation now subtracts the average annual service charge (cell F39) from the annual gross Affordable Rent per home (cell E39) before multiplying it against the total number of Affordable Rent homes (cell D17).

Please use the appropriate revised bidding template to submit your bids.

**Q. Does commercial property owned by a Registered Provider qualify for Empty Homes Programme funding?**

**A.** Yes. Provided that it has had no public subsidy in the past and that it has not been used as low cost rental or low cost sale accommodation (i.e. that it has not been social housing).

**Q. Can non-residential properties currently in the ownership of local authorities be brought back into use as affordable housing?**

**A.** Yes. Provided the properties have not previously been used as social housing e.g. commercial, agricultural buildings or community facilities such as community halls, these are permissible to bring back into use under the Empty Homes Programme.

**Q. Will the HCA allow for nil grant units to be submitted as part of the aggregate bid from providers?**

**A.** Yes. Paragraph 58 of the bidding guidance makes clear that 'there will be a separate payment rate for Empty Homes properties, based on the aggregate allocation and number of homes to be delivered'. Nil grant units would be allowable / desirable.

**Q. Can Providers bid if they do not have HCA Investment Provider status?**

**A.** Yes. Providers can bid in advance of receiving HCA Investment Partner status, however they must achieve HCA Investment Partner status before payment under a contract for delivery of Empty Homes can be agreed and details of their Empty Homes programme can be entered into the Information Management Systems. Refer to paragraph 53 of the bidding guidance.

**Q. Can providers bid if they have not registered with the TSA to become Registered Providers of Social Housing?**

**A.** Yes. Providers can bid in advance of registering with the TSA to become Registered Providers of social housing, but must become a Registered Provider if they intend to be the landlord of completed properties, and must have achieved registration before payment of empty homes funding at completion of properties will be made.

**Q. The bidding guidance refers to Registered Providers will this be extended to ALMOs?**

**A.** Yes. An ALMO can apply to register as a Registered Provider of social housing with the Social Housing Regulator (as set out at paragraph 33 and 51 of the bidding guidance).

Further, in order to receive payment under contract for the delivery of empty homes and enter details of their empty homes programme onto the Investment Management System, ALMOs would need to qualify as an HCA Investment Partner (as set out at paragraphs 52 & 53 of the bidding guidance).

**Q. Can community and voluntary groups bid in partnership with a Registered Provider and separately in their own right?**

**A.** Yes. Community and voluntary groups can submit a bid to the HCA where they intend to work in partnership with a Registered Provider who will be the landlord of the property at completion, and separately submit a bid to the grant giving

intermediary, for other properties where they will undertake the work and be the landlord themselves, but do not intend to become a Registered Provider of Social Housing. Bids submitted by community led groups in this way cannot be duplicated i.e. we would not expect a bid for the same property to be submitted twice through each of the available routes.

**Q. Does the Registered Provider have to become the eventual owner?**

**A.** Yes.

Organisations that wish to apply for direct funding but do not intend to become a Registered Provider of Social Housing should submit bids to the independent grant giving organisation once appointed, in accordance with the guidance for the community funding element of the Empty Homes Programme (as set out at paragraph 34 of the bidding guidance).

**Q. Is it possible to bid for Empty Homes funding to buy empty new stock that has been completed for more than 6 months, e.g. the last few units on private sale schemes?**

**A.** The Empty Homes capital funding has been set aside to tackle long-term empty properties which would not come back into use without additional financial intervention. Empty new homes do not meet that criterion.

**Q. If a Registered Provider is already part of a successful consortium bid for Affordable Homes Programme (AHP) funds, should they submit a bid through their Lead Partner Registered Provider or do they submit an individual bid from their own organisation?**

**A.** Providers are free to choose which route they wish to take. Providers can submit bids as a consortium or in their own right. There is no requirement for Providers to submit bids through their existing AHP consortium but they can do so if they so wish. The benefit of submitting bids through an existing AHP consortium is that Providers can use the lead partner's existing Investment Provider qualification.

**Q. Can local authorities bid as consortia? Under a consortium bid would one local authority need to lead a contract with other local authorities?**

**A.** A local authority can submit a bid on behalf of a range of other local authorities – the anticipated delivery numbers within each local authority area should be identified as a separate line in the bid template.

At the delivery stage, delivery could be undertaken by the lead, on behalf of the consortium. Under this approach it is a requirement that the Lead Partner is qualified or ultimately qualifies as an HCA Investment Partner. All payments are directed to the consortium Lead Partner who effectively becomes a “bank” for the consortium's members. The lead then distributes according to requirements of the partners but the consortium can structure these arrangements to suit its own purposes – the Agency is not prescriptive about this.

Alternatively, once delivery firms up, each local authority could enter into a direct contract with the HCA – for which they would need to become an investment partner in their own right.

**Q. Can you give an indication of what the maximum grant level that might be applicable?**

**A.** Value for money will be assessed in relation to the other bids received and in line with paragraphs 35 to 37 of the bidding guidance and we would expect providers to demonstrate that they are maximising the value for money offered in their bids. Bidding organisations may wish to provide further information around the particular benefits of their approach and any impact this may have on value for money in their supporting statement.

**Q. Can empty former Right to Buy properties be considered as eligible?**

**A.** Yes, provided that the former Right to Buy property does not currently meet the definition of social housing and is in private ownership.

**Q. What is the minimum lease length for properties brought back in via the lease and repair route?**

**A.** Where properties are to be brought back into use on a leased basis, we expect the minimum lease length will be five years (as per paragraph 20 of the bidding guidance.) However, we wish to encourage longer lease periods where possible, and anticipate that the average lease length will be around 10 years.

**Q. Is the 12-15 programme ring fenced i.e. will the empty homes grant rate be separate from any existing AHP grant rate?**

**A.** Yes, the 12-15 Empty Homes Programme will have a separate grant rate from the 11-15 AHP programme and will be contracted separately (as set out at paragraph 58 of the bidding guidance)

**Q. Where a Registered Provider is buying an empty home there is a requirement to improve the home to the HCA's Design and Quality Standards for refurbishment 2007. For the 'Core Standard' the general presumption will be that rehabilitation projects will achieve no less than 30 points within the HQI Sustainability profile. This level may not be achievable with solid walled homes.**

**Should we fail to achieve more than 30 points within the HQI Sustainability profile, despite reaching the Decent Homes Standard and additional improvements for our 'living' standard, will the grant be reclaimed?**

**A.** Where there is doubt about being able to achieve the standards required, this should be flagged up at bid stage, or at the earliest possible stage thereafter (and prior to commencing works). The HCA will consider whether there is a case for agreeing a waiver to the standards, on a case by case basis. There is some best practice coming from the industry. Please contact the National Refurbishment Centre <http://www.rethinkingrefurbishment.com/> .

**Q. Would the HCA support a bid which offers the owner of the property a choice between a letting and full repair lease predicated upon repair costs built into the landlords costs/rent share or a lettings and repair lease where repair costs are only charged for repairs/maintenance incurred.**

**A.** The Empty Homes capital funding has been set aside to tackle long-term empty properties which would not come back into use without additional financial

intervention and it is anticipated that there will be an element of repair required in order to bring the properties back into use. The funding would not support repairs during the lifetime of the lease, which would normally be met from maintenance allowances within the rent.

**Q. If a local authority puts in funding to make the bid more attractive will this be considered?**

**A.** Yes. The bidding guidance and template allows for Other Public Subsidy to be put into the bid. Where a local authority does include capital grant from its own resource this will reflect in the value for money of the new grant requested. The HCA would also consider overall public subsidy to ensure that, for example, the total did not exceed costs.

**Q. Can a housing association bidder use RCGF to fund Empty Homes, alongside any new grant?**

**A.** Yes. The bidder should note that it is applying RCGF in the bidding template. Utilising RCGF will reflect in the value for money of the new grant requested. The HCA would also consider overall public subsidy to ensure that, for example, the total did not exceed costs.

**Q. In assessing value for money, will the HCA take into account the difference in property sizes, and whether properties will be leased or owned?**

**A.** Yes. Paragraph 35 of the bidding guidance confirms that we will consider both the number of properties and the number of persons to be housed for the grant requested. Moreover the lease length offered, or whether the properties will be brought back into use as permanent accommodation will be considered as a factor in the VFM assessment. In general, properties offering shorter lease lengths would be expected to require less funding than longer lease lengths or permanent accommodation.

**Q. We have been asked for further information about the modelling DCLG produced for their business case.**

**A.** Download the [DCLG briefing document](#)