



# Homes England

14<sup>th</sup> March 2019

Amy Fearn  
Rother District Council  
Town Hall, London Road, Bexhill-on-Sea, TN39 3JX

**Re: HIF MVF 257 Blackfriars, Battle, Rother**

Dear Amy,

***SUBJECT TO GRANT DETERMINATION AGREEMENT***

Further to the announcement in February 2018 by the Secretary of State for the Ministry of Housing, Communities and Local Government regarding your successful application for funding under the Housing Infrastructure Fund, Marginal Viability Fund Programme, I write to advise that following the subsequent funding clarification process, Homes England is pleased to inform you that the above scheme has received internal approvals to proceed with the formal award of a grant of £3,240,000.

This is subject to the conditions below and grant determination agreement. The grant award is to fund the delivery of a Spine Road which will unlock the new homes across sites in four separate land ownerships.

This offer of funding is subject to legal exchange of the grant determination agreement by 31st May 2019 after which point the Homes England reserves the right to retract the offer of funding.

The grant (in £) and outputs approved by Homes England is as set out below.

<b>Funding</b>	<b>Total</b>
HIF MVF	£3,240,000
<b>Total</b>	<b>£3,240,000</b>

<b>Outputs</b>	
Market Sale	160
Affordable Rent	0
Affordable LCHO	84
<b>Total</b>	<b>244</b>

Please note any variances to the above spend or outputs must be approved in writing by the Homes England. HIF MVF funding is available until 31<sup>st</sup> March 2022. All MVF funding is required to be spent by this date.

HIF award is provided on the basis of a £2,815,000 viability gap and £425,000 recoverable grant.

The approval is subject to the following conditions being met prior to entering into the grant determination agreement.

Homes and Communities Agency, (trading as Homes England) Floors 5-7, Windsor House, 50 Victoria Street, Westminster, London SW1H 0TL

<b>Condition</b>		<b>Date</b>
1.	Confirmation from all land owners that they will work jointly to utilise the spine road for unlocking their sites.	January 2019
2.	Evidence that the spine road is essential to unlocking the sites and that most of these sites could not be unlocked through other means. Demonstrate that the chosen route for the spine-road represents a balance of best value in terms of cost to the number of homes released.	January 2019
3.	Provision of a detailed strategy of how the Council is proposing to sell / procure a partner to deliver the housing site	January 2019
4.	Provision of a detailed planning strategy (including a detailed programme) for both the infrastructure and each of the residential plots.	January 2019
5.	Provide written confirmation that the grant to be provided would be State Aid compliant as well as providing supporting written evidence of the independent State Aid advice received	January 2019

The drawdown of funds is subject to a signed grant determination agreement and the following conditions precedent being met:

<b>Condition</b>		<b>Date</b>
1.	The Collaboration Agreement is signed and active ensuring that the delivery of the HIF funded infrastructure and the grant drawn by the March 2022 deadline.	April 2019
2.	Confirmation of the number of homes that will be delivered and presentation of the masterplan to Homes England. This should include a programme showing the proposed number of housing completions each financial year from the start to finish of the project.	April 2019
3.	Provision of a Report on Title showing the entire site has vacant possession and detailing any restrictions, Rights of Way, easements, covenants or any other title constraints that may impact on the deliverability of the site.	March 2019
4.	Provision of detailed highways, ecology and engineering reports and a cover report to show the proposed road route is deliverable.	April 2019
5.	Provision of the programme to be adopted should there be a need for Compulsory Purchase of a site, noting when the infrastructure to be funded by HIF would be completed and the HIF grant drawn within the March 2022 deadline.	February 2019
6.	Preparation of a detailed cost plan (by a firm of reputable quantity surveyors) clearly identifying the cost of delivering the spine road, site preparation costs, construction costs for the homes, landscaping costs and any other related costs.	February 2019
7.	1. A revised development appraisal is to be submitted. This is to include: <ul style="list-style-type: none"> <li>• The revised costs prepared by the quantity surveyor</li> <li>• Updated residential values. This should be supported by market evidence and a sales and marketing strategy prepared by a firm of estate agents</li> <li>• Updates to any other development appraisal inputs e.g. s.106, CIL, fees, contingency etc.</li> <li>• Incorporation of the revised masterplan scheme</li> <li>• To reflect the delivery programme that each landowner is proposing to adopt</li> </ul>	March 2019
8.	Local Authority to provide a mechanism to recover the HIF funding	March 2019

	contribution from surpluses achieved by the developers/landowners with appropriate interest charged. This should reflect a land valuation amount which should be to the satisfaction of Homes England.	
9.	Commencement of the HIF funded infrastructure works by such a date that would enable the HIF grant to be drawn no later than March 2021.	July 2019
10.	The Council is to provide a clear strategy detailing how the non-HIF funded infrastructure works will be delivered. Furthermore, proof that funds are in place to deliver the infrastructure works in their totality should also be provided.	April 2019

It should also be noted that the following conditions are a requirement of all grant determination agreements.

- a. The money is to be spent on capital related to the project;
- b. The scheme will deliver by an agreed date. Otherwise, Homes England can recover any unspent funding;
- c. Any costs saved or recovered are retained by the Local Authority and to be used for further housing delivery; and
- d. The Local Authority will assure Government on delivery through proportionate regular reporting on progress, as set out in the Assurance Framework.

Please note that any communications on the outcome of funding clarification are subject to Homes England approval.

Yours sincerely



Gareth Blacker

General Manager, Infrastructure and Complex Projects