

Heads of Terms

Grant Agreement relating to Local Authority Housing Fund

Subject to Contract

These Heads of Terms (“HoTs”) are intended to summarise the main terms of a legal agreement that will be entered into by Nottingham City Council and a registered provider of housing.

1. Parties

Nottingham City Council (1)

Loxley House
Station Street
Nottingham
NG1 1PS

Grant Recipient (2)

2. Project Description

- 2.1 Provision of 17 homes in Nottingham of which five shall be homes for persons in the Afghan Citizens Resettlement Scheme and 12 shall be affordable homes for homeless families.

3. Head Funding Agreement

- 3.1 Nottingham City Council has entered into a Memorandum of Understanding with the UK Government’s Ministry of Housing, Communities and Local Government (“the Head Funding Agreement”).
- 3.2 The Council shall enter into an agreement with the Grant Recipient under which the Grant Recipient shall comply with any obligations imposed by the Council to ensure that the Council complies with its obligations under the Head Funding Agreement.

4. Powers

- 4.1 The UK Government shall provide grant funding from the Local Authority Housing Fund to Nottingham City Council pursuant to the power in section 31 of the Local Government Act 2003.
- 4.2 The Council shall enter into an agreement with the Grant Recipient pursuant to the power in section 1 of the Localism Act 2011.

5. Funding Period and Duration of the Agreement

- 5.1 Financial Years 2024/2025-2025/2026. This will be the period for which the grant funding will be available to the Council.
- 5.2 Monitoring and reporting conditions will be in place past the expiry of the funding programme.

5.3 The properties will be held in perpetuity for the purposes of the LAHF programme.

5.4 Nottingham City Council may terminate the agreement if:

- (a) The Grant Recipient breaches any of the terms of the agreement.
- (b) The UK Government withholds or requires repayment of any part of the grant.

6. Grant Funding

6.1 Subject to the provisions of this paragraph 6 Nottingham City Council shall provide grant funding to the Grant Recipient.

6.2 Payment of grant funding will be made in Tranches based on performance and meeting of spend milestones and delivery of outputs. Funding cannot be paid upfront.

6.3 The maximum sum of grant funding available to the Grant Recipient shall be £1,734,464 to be provided by Nottingham City Council to the Grant Recipient.

6.4 The availability of grant funding shall be subject to:

- (a) Receipt by the Council of the grant funding from the UK Government.
- (b) Use by the Grant Recipient of the grant funding for the purposes of the project and for no other purpose.
- (c) Achievement of the outputs by the Grant Recipient.
- (d) Compliance by the Grant Recipient with the terms of the grant agreement with Nottingham City Council.

7. Outputs

7.1 Delivery of 17 homes of which of which five shall be homes for persons in the Afghan Citizens Resettlement Scheme/Afghan Relocation Assistance Programme and 12 shall be affordable homes for homeless families.

7.2 The homes shall be let under assured shorthold tenancies to persons who meet the eligibility criteria set out in the UK Government's Local Authority Housing Fund prospectus.

7.3 The Grant Recipient shall be required to achieve the outputs by target dates set out in the agreement. The targets shall be:

- (a) Year Two Financial Year 2025/2026: Afghan Resettlement Element: 4 homes. Afghan Large Resettlement Element: 1 home. Homelessness Element: 12 homes.

7.4 The Grant Recipient shall be required to notify Nottingham City Council with reasons if it becomes apparent that the outputs will not be achieved by the target dates or at all.

8. Output Sites

8.1 TBC Addresses to be included once known and included in Nominations agreement

9. Delivery Programme

- 9.1 The Grant Recipient shall be required to confirm a programme for delivery of the outputs.

10. Grant Drawdown/Payment Arrangements

- 10.1 Payment shall be made in four tranches of the following amounts:

- (a) Tranche 1: £103,214 Date:
- (b) Tranche 2: 0 Date:
- (c) Tranche 3: £770,110 Date:
- (d) Tranche 4: £861,150 Date:

- 10.2 Payment of grant funding shall be subject to the Grant Recipient meeting the following milestones:

- (a) Tranche 1: Agreement between Nottingham City Council and the Grant Recipient.
- (b) Tranche 2: Statement of grant usage from the Grant Recipient to Nottingham City Council showing payment or commitment of the tranche 1 funding. Provision of monitoring information by the Grant Recipient to the Council.
- (c) Tranche 3: Statement of grant usage from the Grant Recipient to Nottingham City Council showing payment or commitment of the tranche 1 and tranche 2 funding. Provision of monitoring information by the Grant Recipient to the Council.
- (d) Tranche 4: Statement of grant usage from the Grant Recipient to Nottingham City Council showing payment or commitment of the tranche 1, tranche 2 and tranche 3 funding. Provision of monitoring information by the Grant Recipient to the Council.

11. Withdrawal, Suspension and Recovery of Funding

- 11.1 Nottingham City Council shall have the right to withdraw suspend or require repayment of Grant Funding in the following circumstances:

- (a) The outputs are not delivered by the target dates.
- (b) The Grant Recipient breaches any of the terms and conditions of the agreement.
- (c) The UK Government withholds, suspends or requires repayment of any of the grant funding.

12. Nominations Agreement

- 12.1 The Grant Recipient shall enter into a nomination's agreement, giving Nottingham City Council the right to nominate tenants to occupy the homes developed by the Grant Recipient and require that the homes are let to persons on the Council's homelessness register or to persons in the Afghan Resettlement Scheme.

12.2 The homes shall be let under Assured Shorthold Tenancies at Affordable Rent.

13. Registrable and Right of pre-emption

13.1 The funding obtained by the Grant Recipient to acquire the 17 properties confirms the existence of registrable interest rights of Nottingham City Council as contribution made towards the acquisition of the 17 properties by way of a restriction.

13.2 If the Grant Recipient intends to dispose of any property which has been acquired or developed with the benefit of the grant funding the Grant Recipient shall be required to offer Nottingham City Council the opportunity to purchase the grant recipients share in the property before the Grant Recipient offers the property to other purchasers including other Registered Providers of social housing first.

13.3 If the Grant recipient intends to dispose of any of the properties acquired or developed with the benefit of the grant funding, the Grant recipient must:

In the first 20 years after purchase/development:

- Offer the council first refusal on the purchase of the property whereby by the council has 8 weeks to respond
- Offer subsequent refusals to another registered providers of social housing
- Offer property to a registered provider at market value minus the percentage of its purchase or development funded by the grant

In the first 30 years after purchase/development:

- Offer the property at market value and pay to Nottingham City Council the percentage of its purchase/development funded by the grant, for recycling into provision of housing for households in need

13.4 The Grant Recipient shall be required to enter a restriction on the title of any property which has been acquired or developed with the benefit of the grant funding securing Nottingham City Council interest and preventing registration of any disposal without a certificate from the Council confirming compliance with the provision in the agreement regarding the right of pre-emption.

14. Compliance with all Relevant Law and Policies

14.1 The Grant Recipient shall be required to all relevant law including the law on procurement, subsidy control, equality, management of fraud risk, and data protection.

14.2 The Grant Recipient shall be required to comply with any policies of Nottingham City Council specified by the Council.

15. Cost Overrun

15.1 The Grant Recipient shall be responsible for all costs in excess of the maximum sum of the grant funding.

16. Monitoring and Reporting Obligations

16.1 The Grant Recipient shall comply with the following monitoring and reporting obligations:

- (a) The Grant Recipient shall provide monitoring information to enable Nottingham City Council to provide monitoring information under the Head Agreement at the following intervals and when requested by the City Council:
 - (i) Between 1 April 2025 and 14 April 2025.
 - (ii) Between 2 June 2025 and 16 June 2025.
 - (iii) Between 1 August 2025 and 15 August 2025.
 - (iv) Between 1 October 2025 and 15 October 2025.
 - (v) Between 1 December 2025 and 15 December 2025.
 - (vi) Between 2 February 2026 and 16 February 2026.
 - (vii) Between 1 April 2026 and 15 April 2026.
 - (viii) Any other time specified by the Council.

16.2 The monitoring information required from the Grant Recipient shall include:

- (a) Number of properties let to tenants, including bedroom size.
- (b) Number of properties ready to let, including bedroom size.
- (c) Number of Afghan Resettlement Scheme households housed.
- (d) Number of homeless households housed.
- (e) Number of pending housing of Afghan Resettlement Scheme households and of homeless households.
- (f) Grant expenditure.
- (g) Grant Recipient's assessment of whether delivery of the outputs is on track.

16.3 The Grant Recipient shall provide information to the Council when requested by the Council to enable the Council to provide evaluation data to the Ministry of Housing, Communities and Local Government. Such information shall include:

- (a) How properties have been sourced.
- (b) How the Grant Recipient has funded its own contribution to the Project.
- (c) Breakdown of housing of Afghan Resettlement Scheme households by reference to their previous housing situation.
- (d) Duration of tenancies of households housed pursuant to the Project.
- (e) Rent levels of tenancies of households housed pursuant to the Project.

16.4 The Grant Recipient shall provide information when requested by the Council to enable the Council to submit a statement of grant usage to the Ministry of Housing, Communities and Local Government.

- 16.5 The Grant Recipient shall provide information when requested by the Council to enable the Council to submit a project adjustment request to the Ministry of Housing, Communities and Local Government.
- 16.6 The Grant Recipient shall keep accounts and records of the receipt of the grant funding and income and expenditure on the project.
- 16.7 The Grant Recipient shall keep copies of invoices and receipts for a period of at least six years from the date of receipt of the grant funding and shall provide the Council with copies on request.

17. Communications

- 17.1 The Grant Recipient shall not publish any publicity referring to the grant funding without the prior written agreement of Nottingham City Council.
- 17.2 The Grant Recipient shall comply with all branding guidelines imposed by the Council or the UK Government.
- 17.3 The Grant Recipient shall participate in any promotional activities relating to the project required by the Council.

18. Council's Access to the Project

- 18.1 The Grant Recipient shall be required to permit Nottingham City Council's officers and auditors to visit the Grant Recipient's premises and to have access to information relating to the project.

19. Confidentiality

- 19.1 Subject to the obligations of the parties regarding transparency and legislation regulating access to information, the agreement shall be regarded by the parties as confidential.
- 19.2 The parties shall acknowledge that the Council is subject to legislation regulating access to information.

20. Governing Law and Jurisdiction

- 20.1 These heads of terms and the agreement shall be governed by and construed in accordance with the law of England and Wales.
- 20.2 The parties agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising.