



Ministry of Housing,  
Communities &  
Local Government

**[Redacted]**

22 March 2021

Contract Number: CPD/004/117/081

Dear **[Redacted]**,

**CONTRACT FOR THE 2018–2022 NEIGHBOURHOOD PLANNING SUPPORT SERVICES**

Please find attached an amendment to the above-mentioned contract. Please confirm acceptance of this amendment as soon as possible by signing and returning this document to the undersigned.

MHCLG will accept a signed Word or a PDF version.

I look forward to hearing from you.

Yours faithfully,

**[Redacted]**

Senior Procurement Advisor



### **AMENDMENT TO CONTRACT**

The details contained in this document form a binding amendment to the Contract referenced below between the Contractor and the Secretary of State for the Ministry of Housing, Communities and Local Government ("MHCLG").

Contract title	:	Contract for the 2018-2022 Neighbourhood Planning Support Services
Contract reference	:	CPD/004/117/081
Purchase order no.	:	4500335436
Contractor	:	Locality
Amendment no.	:	10
Effective date of amendment	:	15 <sup>th</sup> April 2021
Details of amendment	:	In accordance with Clause D3 MHCLG commissions the Contractor to carry out services to deliver a third year of support related to the Discounted Homes for Sale Pilot Programme for 2021/2022.

The continued services to support the Discounted Homes for Sale Pilot Programme are expected to end in 2021/22.

The Specification for year three of the Discounted Homes for Sale Pilot Programme is set out in Appendix A to this Contract amendment no.10.

The costs for year three of the Discounted Homes for Sale Pilot Programme are set out in Appendix B to this Contract amendment no.10. which is in addition to the existing Price Schedule (Annex C).

An update to the eligibility criteria for the Discounted Homes for Sale Pilot Programme is set out in Appendix C to this Contract amendment no.10.

The following amendments are made to the existing Contract documentation.



## **Annex A: Specification**

### **Section 3.1 Contract Scope**

Delete:

(c) Technical Support – provision of specialist, Technical Support packages to deliver specific outputs linked to Ministerial priorities on housing, design and supporting communities to establish neighbourhood planning groups in unparished areas and to deliver the objectives of the Discounted Market Home Pilot Programme in year two of the programme.

Insert:

(c) Technical Support – provision of specialist, Technical Support packages to deliver specific outputs linked to Ministerial priorities on housing, design and supporting communities to establish neighbourhood planning groups in unparished areas and to deliver the objectives of the Discounted Market Home Pilot Programme in its third year.

## **Appendix A – Specification for Year Two and Three of the Discounted Homes for Sale Pilot Programme**

Delete:

Current Appendix A – Specification for Year Two of the Discounted Homes for Sale Pilot Programme

Insert:

Revised Appendix A - Specification for Year Two and Three of the Discounted Homes for Sale Pilot Programme. (Updates in red at Appendix A of this contract amendment Number 10).

## **Annex C – Price Schedule**

Insert:



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Pricing for Year 3 (Stage 2) (as detailed at Appendix B of this contract amendment Number 10).

Contract value prior to amendment: £33,623,291 (incl. VAT). (inclusive of Amendment Nos.1, 2, 3, 4, 5, 6, 7, 8 and 9)

Maximum value of this amendment: £2,796,034 (Incl. VAT)

Revised value : £36,419,325 (Incl. VAT)

for the Contract

Terms and conditions : All other terms and conditions remain the same for this Contract.

FOR AND ON BEHALF OF THE <b>SECRETARY OF STATE FOR HOUSING, COMMUNITIES AND LOCAL GOVERNMENT</b>	FOR AND ON BEHALF OF THE <b>CONTRACTOR</b>
Name: <b>[Redacted]</b>	Name: <b>[Redacted]</b>
Title: Head of Procurement	Title: <b>[Redacted]</b>
Signed:  <b>[Redacted]</b>	Signed: <b>[Redacted]</b>
Date: 24 March 2021	Date: 24 March 2021



## **Appendix A – Specification for Year Two and Three of the Discounted Homes for Sale Pilot Programme**

### **Introduction**

The Chancellor announced in the Budget 2018 that an additional £8.5m of resource would be made available to help neighbourhood planning groups to support the delivery of homes sold at a discount. It was agreed to deliver this initiative via a 2 stage, 3-year pilot project, with review points in February 2020 and January 2021, allowing for adjustments if needed for Years 2 and 3 respectively.

During Year 1 (Stage 1) MHCLG allocated £2.8 million for these services for the 2019-20 financial year. Locality agreed to provide these services, up to, but not exceeding the value of £2.8m in Year 1.

With regard to Year 2 (Stage 2) MHCLG allocated a further £2.8 million for these services to cover the 2020-21 financial year. Locality agreed to provide these services, up to, but not exceeding the value of £2.8m in Year 2.

For Year 3 (Stage 2) MHCLG have allocated £2.796 million for these services to cover the 2021-22 financial year. Locality agrees to provide these services, up to, but not exceeding the value of £2.796m in Year 3. This sum includes grant approved, but to be paid by the Grant Administrator, and the value of Technical Support packages committed as approved by MHCLG, as well as the costs for the services as set out in the accompanying amendment to the Annex C Price Schedule covering: application management, toolkits, case studies, learning programme and evaluation.

In the event of the sum of £2.796m being reached within Year 3, Locality will accept no further applications for the Discounted Homes for Sale Pilot Programme in year but will continue to accept applications for the pre-existing services under this contract.

The continuation of the additional services in to the third year of the pilot has received ministerial approval within MHCLG.

### **Delivery phase**

Year 1 (Stage 1) commenced from the 1<sup>st</sup> April 2019.

Year 2 (Stage 2) commenced from the 20<sup>th</sup> April 2020.

Year 3 (Stage 2) will commence from the 15<sup>th</sup> April 2021.



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### Neighbourhood Development Orders

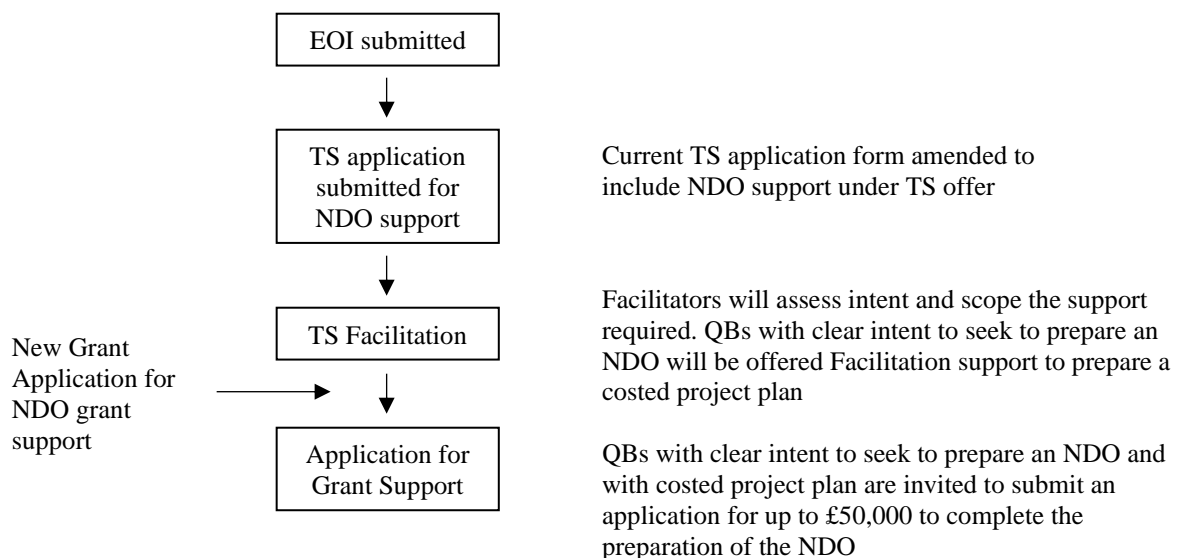
Neighbourhood Development Orders (NDOs) can only be brought forward by a Qualifying Body (QB) (either a town or parish council or a designated neighbourhood forum) either as part of a Neighbourhood Development Plan (NDP) or independent to the plan.

In preparing an NDO, the QB must go through the same process as that to be followed when preparing an NDP. However, once it is established the Order grants planning permission for specified developments in a neighbourhood area and there would be no need for anyone to apply to the local planning authority for planning permission if it is for the type of development covered by the order. An NDO should therefore make it easier and quicker for the kind of development it describes to go ahead in the future.

Whilst there has been a growing interest in the preparation of NDPs there does not seem as much interest in NDOs. For many QBs the prize in preparing an NDP is not only influencing the type of development that comes forward but actually seeing the development they seek to bring forward, so supporting QBs to develop an NDO within their NDP, or as a standalone Order, is a way of supporting them to reach the prize.

### Support to prepare an NDO

The support from the programme will be structured as follows:



### Application and Support Process

1. QBs interested in preparing an NDO will make an expression of interest which will result in them being sent a link to the Technical Support application form.
2. The TS application form will collect all the current information.



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3. Screening and diagnostics for those seeking NDO support will take place.
4. If support is offered via the Technical Support Facilitation package, it will
  - i. determine if the use of an NDO is the best option (or if there are other options by which to bring the development forward) and, if an NDO is the best route,
  - ii. the support will help the QB scope the work required.
5. The facilitation support will report on the following key issues:
  - Links to any NDP preparation;
  - The proposed development;
  - The likely site being considered including a review of constraints and barriers to the proposed development;
  - Consideration of the site acquisition and land deal;
  - Consideration of the likely means of development;
  - Issues relating to viability and financing options.
6. The facilitation support will determine if the QB has the intent and is likely to succeed with preparing and delivering a NDO. For those QBs where the facilitation support determines that preparation and/or delivery of an NDO is unlikely to succeed the QB will not be invited to apply for grant funding support.
7. Where the facilitation support determines that the QB is likely to succeed with both preparation and delivery of the NDO and leads to a clear project plan the QB would be eligible for the NDO grant support programme and apply for up to £50,000 grant support. For these QBs the facilitation support will also set out how best to use the mix of Technical Support and grant support.

### Application for £50,000 Grant Support

The current application will continue to be used which will seek information on the following:

- QB Housing Allocation details;
- Number of housing units;
- Type of housing units (to include the likely number of discounted homes);
- Community needs;
- Engagement;
- Community support evidence;
- Link with NDP (if any);
- Address of site;
- Site restrictions and challenges;
- Site security;
- Funding sought setting out what the funding will be spent on.

### Grant Assessment

It is anticipated that eligible groups will apply for up to 3 grants totalling no more than £50,000 in order to move their NDO forwards.

Costs eligible under the programme include, but are not limited to:

- Engaging a qualified planner, architect and /or other professionals;



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- Legal, financial or other professional input to the project;
- Technical studies;
- Costs associated with public engagement and consulting on the project.

Applications will be assessed based on the information provided in the application form and drawing on the facilitation support already received. The assessment criteria will be as follows:

- Is all the proposed expenditure eligible? (we will reduce the total amount of grant awarded for any items of ineligible expenditure)
- Is there a clear need for the project spend?
- Is there evidence of how the planned activities will help you progress towards an NDO for a particular site?
- Is the project realistic and achievable (this will include initial considerations of whether the land can be acquired for the proposed purpose)?
- Are the project costs reasonable and do they add up?
- Does the project demonstrate value for money in terms of the relationship between costs and benefits?

All grants will be assessed by appropriately trained and experienced grants assessors and presented to MHCLG for a final decision. Grant assessment will be completed in 20 working days (excluding MHCLG's final decision making).  
NDO grant recipients will have 12 months to spend their grant from the grant award date.

### Application management

With the exception of the NDO grants (see above), Locality will manage the grant and technical support applications for the Discounted Homes for Sale Pilot Programme in accordance with the specifications in the existing contract, amended as below. This includes meeting the same timescales for assessment and other service levels as set out in Schedule Part B (Service Level Agreements) to Annex A Specification of the existing service contract.

## **Grant and Technical Support Applications**

### Programme Flow Chart

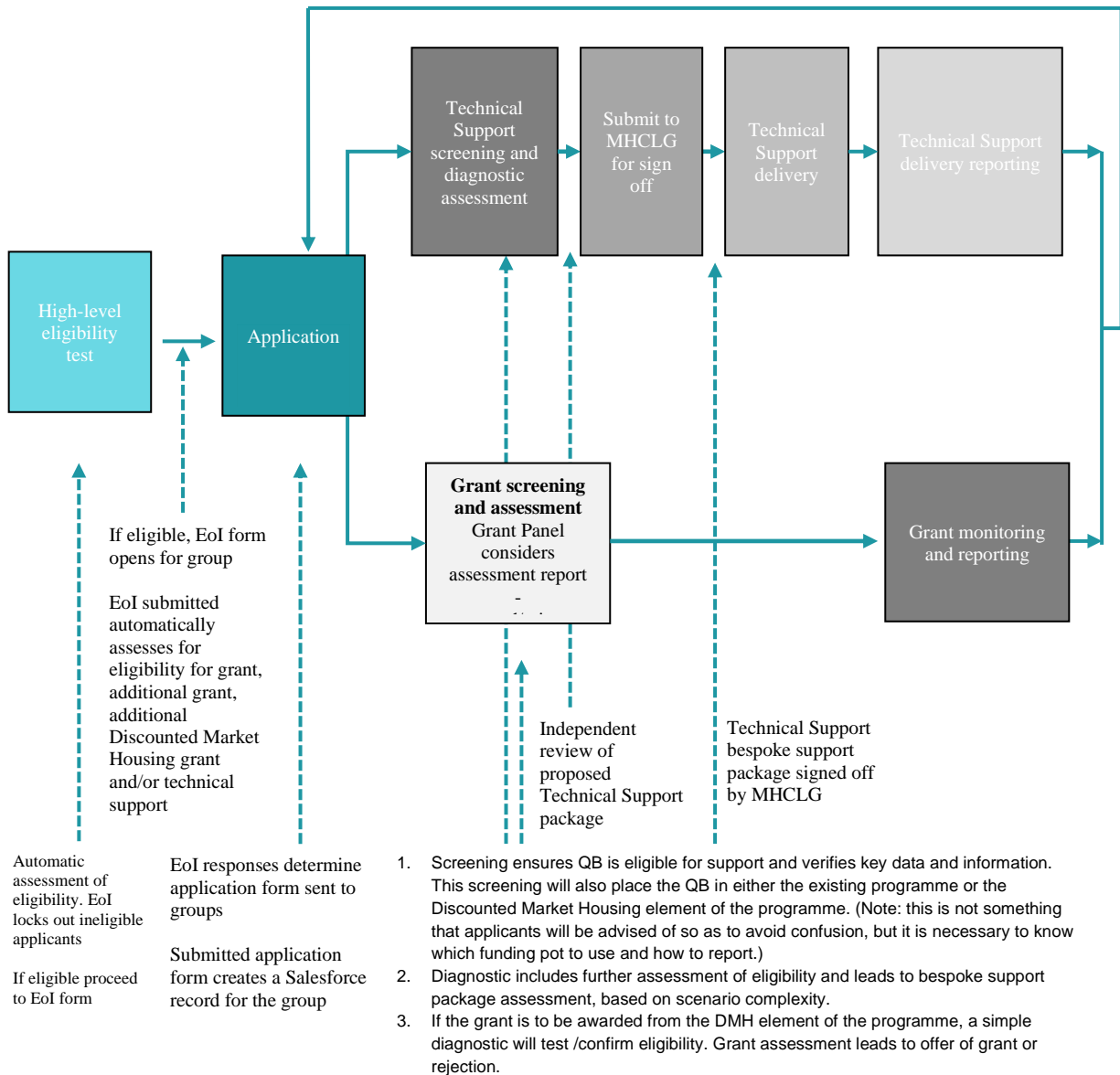
The flow chart for groups seeking support is as below. This sets out as an overview the six main steps: eligibility, Expression of Interest (EoI), application, screening, diagnostic or grant assessment, MHCLG sign off/grants panel.

Each of these steps collects and verifies information with the aim to ensure that the right support is offered to the group and that there are measures in place to prevent fraudulent and/or inappropriate awards of support.





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## High-level eligibility test

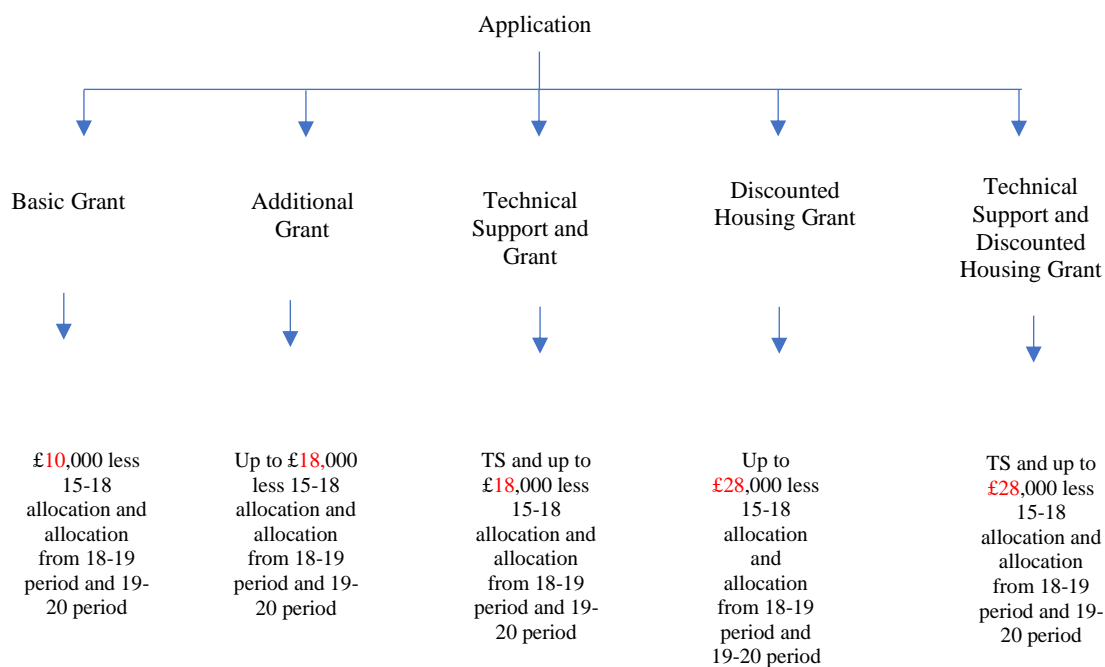
Applicants complete an online eligibility test. This is the initial test for eligibility against the following questions:

- Are you producing a NDP or NDO (as prescribed under the Localism Act 2011)
- Is the area you are producing a NDP or NDO for in England?
- Are you a Parish or Town Council, a designated neighbourhood forum or a potential neighbourhood forum looking to produce a NDP?
- Are you a representative of the NP group and have you been authorised by the group to make the application (the applicant will be required to provide their role)?

These four questions are yes/no and require four 'yes' responses to gain access to the Eol. If eligible, applicants will then open a link to the Eol form. There is a system lock-out here for those groups that are not eligible to apply for funding or support from the programme. These groups are directed back to the online portal for information about eligibility.

The high-level eligibility check is fully automated and locks out those not eligible. If a group passes this high-level eligibility test then an Eol will be made available for completion. Once this is successfully completed and submitted, an application form will be sent via a link to the applicant overnight.

## Overview of the Grant and TS programme



1. Application process is integrated within the existing programme of support.



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2. Only grant applications up to **£10,000** will be allowed, with further applications up to **£10,000** per application once each grant is completed.
3. Screening and diagnostics or grant assessment will ensure that the support to the QB comes from either the existing support programme or the Discounted Housing support element. This will allow reporting both the existing support programme and the Discounted Housing support element.

Application process

**Expression of interest process**

1. This provides an initial self-assessment of eligibility for basic grant, additional grant and/or Technical Support. Once an Eol is submitted an application form/s (grant, additional grant and/or Technical Support with or without grant) is sent via a link to the group.
2. The Eol will request the following information, and then trigger the relevant application form/s:

Eol question	Response	Commentary/information supplied	Application form provided
<i>Have you completed a grant from the 2015-2018 or the 2018-22 programme?</i>	Yes/No		
<i>Have you submitted your end of grant reporting?</i>	Yes/No	If no, you are not eligible to apply until the end of grant report is submitted	
<i>Have you had any grant support from the 2015-2018 or the 2018-22 programme for the plan you are currently writing? This does not include any previously Made NDPs which are being revised (which are treated as new plans)</i>	Yes/No	If yes, how much?  Value of previous grant (less any underspend returned)  All groups are eligible for Basic Grant. The value of the Basic Grant will be <b>£10,000</b> less net value of support since 2015 and that approved in the period 2018-2022  If the net value of previous support is more than <b>£10,000</b> then Basic Grant cannot be accessed	Basic Grant only if eligible
<i>Is the emerging NDP seeking to allocate</i>	Yes/No	If yes eligible for Additional Grant and Technical Support	Technical Support and Additional



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<i>houses in the neighbourhood area?</i>			Grant (up to £18,000)
<i>Are you seeking to bring forward affordable housing for sale, for those who cannot afford to buy a house at market value</i>	Yes/No	If yes eligible for all Technical Support and Discounted Housing Grant	Technical Support and Discounted Housing Grant of up to £28,000
<i>Please explain the amount of housing (numbers of houses) you are seeking to allocate</i>		Provides clarification on the housing being allocated	
<i>Are you assessing sites for housing within your neighbourhood area?</i>	Yes/No	If yes eligible for Additional Grant and Technical Support	Technical Support and Additional Grant (up to £18,000)
<i>If yes, please give the number of sites you are assessing or will assess</i>			
<i>Are any of the sites you are seeking to allocate or assess likely to bring forward affordable housing for sale, for those who cannot afford to buy a house at market value</i>	Yes/No	If yes eligible for all Technical Support and Discounted Housing Grant	Technical Support and Discounted Housing Grant of up to £28,000
<i>Are you seeking to include design codes in your NDP?</i>	Yes/No	If yes eligible for Additional Grant and Technical Support	Technical Support and Additional Grant (up to £18,000)
<i>Is the group a prospective neighbourhood forum</i>	Yes/No	If yes, eligible for Forum Development Technical Support only unless other eligibility reasons for TS	Forum Development Technical Support only
<i>Please provide fund holder details</i>		If yes, are you incorporated (yes/no), if no request for details of an incorporated fund holder	
<i>Are you preparing an NDO?</i>	Yes/No	If yes eligible for Technical Support	Technical Support and Basic Grant (up to £10,000)



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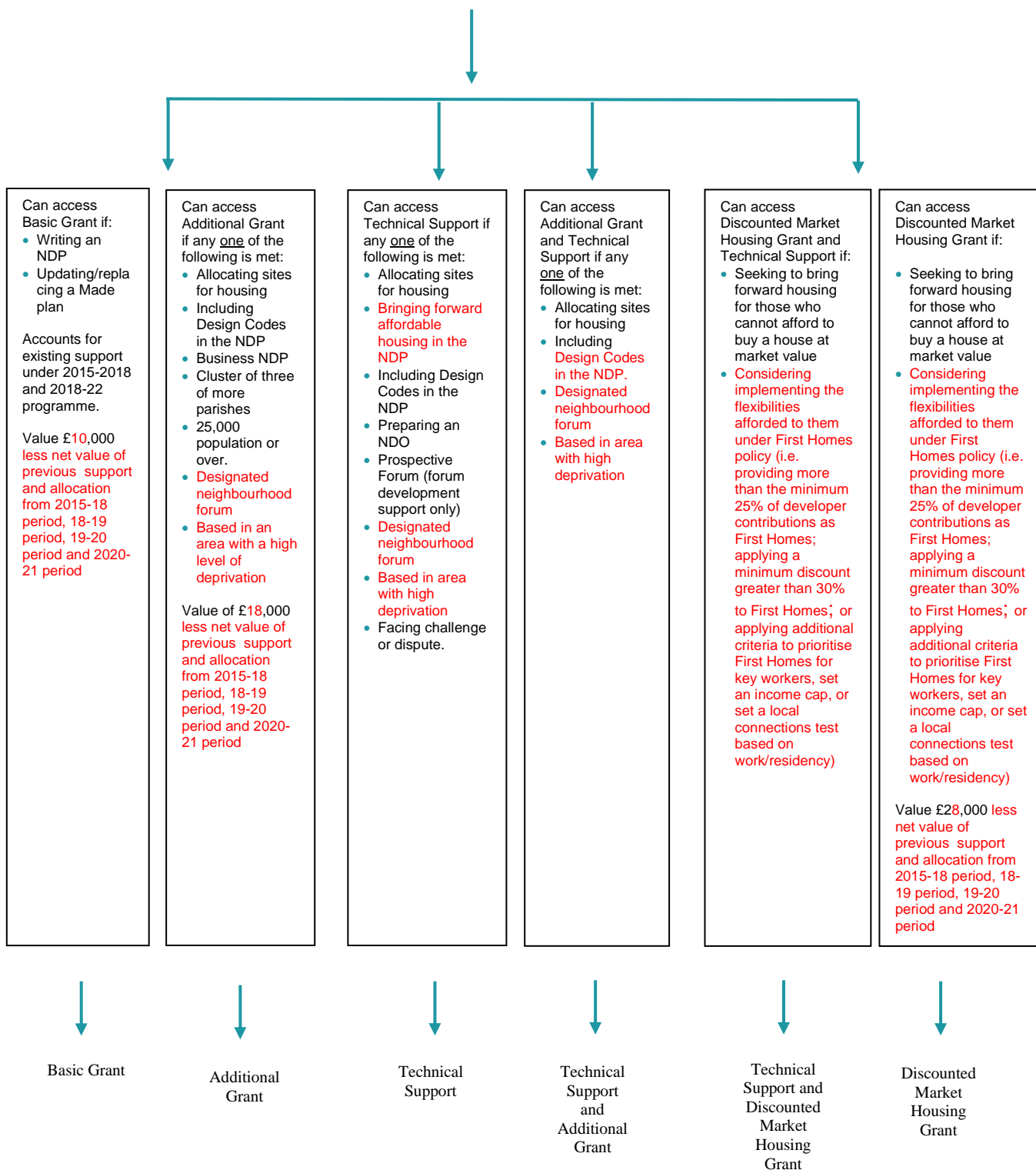
<i>Are you part of a group of 3 or more parish councils working to prepare a single NDP?</i>	Yes/No	If yes eligible for Additional Grant	Additional Grant (up to £18,000)
<i>Which other parishes?</i>		Names of other parishes	
<i>Are you preparing a Business NDP?</i>	Yes/No	If yes eligible for Additional Grant	Additional Grant (up to £18,000)
<i>Is the population of your Neighbourhood Area 25,000 people or more?</i>	Yes/No	If yes eligible for Additional Grant	Additional Grant (up to £18,000)
<i>What is the population?</i>		Population size	

3. Groups that self-present as eligible on the EoI are sent an e-mail with a link to the application form/s for grant and/or Technical Support. Groups that self-present as not eligible on the EoI will be sent an e-mail setting out that support cannot be provided.



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## EoI form





### **Monitoring, financial projections and invoicing**

- We will produce a bespoke monthly report showing for the Discounted Homes for Sale Pilot Programme:
  - the number, value and type of Grants awarded;
  - the number and value of Technical Support services signed off.
- We will monitor and report on the number of enquiries received by the advice service on the Discounted Homes for Sale Pilot Programme.
- We will monitor the traffic on the website to the new resources produced for the Discounted Homes for Sale Pilot Programme (see below).
- We will produce bespoke monthly financial reports and projections for the Discounted Homes for Sale Pilot Programme showing:
  - Actual Grant spend (made up of value, number and type of grants awarded);
  - Actual Technical Support committed (made up of value and number of Technical Support packages approved by MHCLG);
  - Actual Technical Support in-year invoicing to date and projected future invoicing in year for each month, based on actual and projected number of packages moving to In Progress and Completed each month.
  - Projected Grant average spend (made up of predicted average grant spend and predicted numbers with NDO grants shown separately);
  - Projected Technical Support spend (made up of predicted average value and number of Technical Support package approved by MHCLG);
  - Cumulative Grant and Technical Support spend to date and summary of how this and projected spend relate to the budget agreed for the year and when we project having to shut access to the Discounted Homes for Sale Pilot Programme in the year, if at all.
  - From the second quarter onwards, projected Technical Support invoicing in the subsequent year for packages moved into In progress in the current year, but to be Completed in the subsequent year, based on the likely time lapse between each package moving from In Progress to Completed.
- We will produce a bespoke quarterly report for the Discounted Homes for Sale Pilot Programme covering:
  - Analysis of the previous quarter trends as covered by the monthly report and financial report and projections.



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- Reporting on what we have delivered under the education workstream for the Discounted Homes for Sale Pilot Programme.
- Feedback from webinar events on how helpful the session was and how groups might use the advice and information received to explore how their neighbourhood plan or a NDO can support housing for those who cannot afford to buy a house at market value.
- Analysis of how the Technical Support Packages have supported Qualifying Bodies to explore allocating sites or bringing forward affordable housing for sale, for those who cannot afford to buy a house at market value. This will include an analysis of the resulting potential for the delivery of discounted homes for sale. This in turn will feed into later evaluation of the pilot programme.
- Making recommendations for improvements in delivering the Discounted Homes for Sale Pilot Programme, as part of a continuous improvement approach.
- Reviewing the risk register for the Discounted Homes for Sale Pilot Programme.
- Projecting when we might have to shut access to the Discounted Homes for Sale Pilot Programme in the year, if at all.

### Invoicing

- We will produce a separate invoice for the Discounted Homes for Sale Pilot Programme.





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## **Appendix B – Pricing for Year 1 (Stage 1), Year 2 (Stage 2) and Year 3 (Stage 2)**

Pricing for Year 1 (Stage 1)

**[Redacted]**

Pricing for Year 2 (Stage 2)

[Redacted]

Pricing for Year 3 (Stage 2)

**[Redacted]**



## **Appendix C – Updating the Eligibility Criteria for the Discounted Homes for Sale Pilot**

### **Background**

In addition to allowing for the continuation of the Discounted Homes for Sale Pilot in to its third year, this contract variation (Contract Amendment 10) also seeks to update the eligibility criteria for the pilot.

To support the launch of Government's First Homes initiative, eligibility for the Discounted Home for Sale initiative will be extended to neighbourhood planning groups who are developing policies to implement the flexibility afforded to them under the First Homes policy.

Specifically, this contract variation will make neighbourhood planning groups that are seeking to apply flexibilities around First Homes eligible, under the 2018-2022 Neighbourhood Planning Support Programme Contract, for:

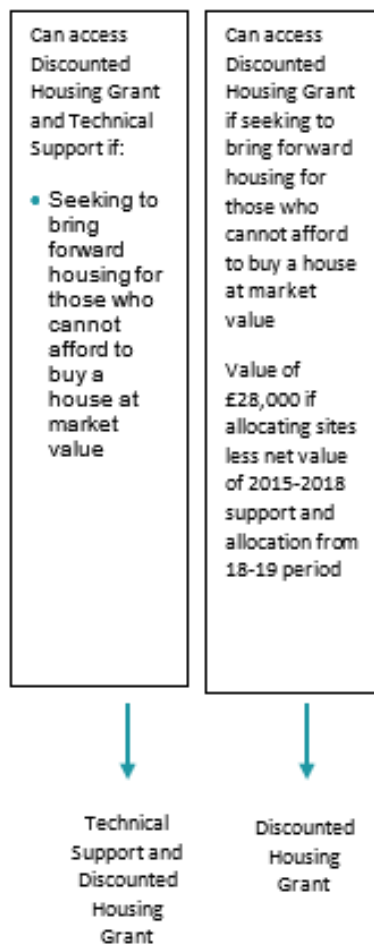
- **Discounted Market Housing Grants:** grants to a total maximum value of £28,000 will be available to these groups
- **Technical Support:** the full range of technical support packages, providing professional support and advice on technical planning or process issues, will be available to these neighbourhood planning groups

### **Eligibility Criteria**

The existing eligibility criteria for Grant and Technical Support under the Discounted Homes for Sale Pilot, is set out in the EOI Form diagram on page 13 of Contract Amendment 7, and outlines that neighbourhood planning groups are eligible for grant and technical support under the Discounted Homes for Sale Pilot in the following circumstances:



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The EOI Form diagram on page 13 of this contract variation, Contract Amendment 10, updates and supersedes the previous EOI Form diagram on page 13 of Contract Amendment 7 however, to make clear that neighbourhood planning groups are to be eligible for grant and technical support under the Discounted Homes for Sale Pilot in all of the following circumstances:



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<p>Can access Discounted Market Housing Grant and Technical Support if:</p> <ul style="list-style-type: none"><li>• Seeking to bring forward housing for those who cannot afford to buy a house at market value</li><li>• Considering implementing the flexibilities afforded to them under First Homes policy (i.e. providing more than the minimum 25% of developer contributions as First Homes; applying a minimum discount greater than 30% to First Homes; or applying additional criteria to prioritise First Homes for key workers, set an income cap, or set a local connections test based on work/residency)</li></ul>	<p>Can access Discounted Market Housing Grant if:</p> <ul style="list-style-type: none"><li>• Seeking to bring forward housing for those who cannot afford to buy a house at market value</li><li>• Considering implementing the flexibilities afforded to them under First Homes policy (i.e. providing more than the minimum 25% of developer contributions as First Homes; applying a minimum discount greater than 30% to First Homes; or applying additional criteria to prioritise First Homes for key workers, set an income cap, or set a local connections test based on work/residency)</li></ul> <p>Value £28,000 less net value of previous support and allocation from 2015-18 period, 18-19 period, 19-20 period and 2020-21 period</p>
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Technical  
Support and  
Discounted  
Market  
Housing  
Grant



Discounted  
Market  
Housing  
Grant

## Effective Date

This contract variation comes into effect on 15<sup>th</sup> April 2021 and will remain in effect until the current 2018-2022 Neighbourhood Planning Support Programme Contract expires on 31<sup>st</sup> March 2022.