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Tender

Homes England - First Homes Early Delivery Programme 2021-23

Homes England (the name adopted by the Homes and Communities Agency)

F02: Contract notice

Notice identifier: 2021/S 000-019315

Procurement identifier (OCID): ocds-h6vhtk-02a2db

Published 10 August 2021, 1:09pm

Section I: Contracting authority

I.1) Name and addresses

Homes England (the name adopted by the Homes and Communities Agency)

1 Friargate

Coventry

CV1 2GN

Email

first.homes@homesengland.gov.uk

Telephone

+44 3001234500

Country

United Kingdom

NUTS code

UKG33 - Coventry

Internet address(es)

Main address

<https://www.gov.uk/government/organisations/homes-england>

Buyer's address

<https://www.gov.uk/government/organisations/homes-england>

I.3) Communication

The procurement documents are available for unrestricted and full direct access, free of charge, at

<https://procontract.due-north.com/>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://procontract.due-north.com/>

I.4) Type of the contracting authority

National or federal Agency/Office

I.5) Main activity

Housing and community amenities

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Homes England - First Homes Early Delivery Programme 2021-23

Reference number

DN531227

II.1.2) Main CPV code

- 70000000 - Real estate services

II.1.3) Type of contract

Services

II.1.4) Short description

First Homes is a major Government priority and will support eligible first-time buyers to buy a home for a discount of at least 30% compared to the open market price.

On 1 April, Government published its response to the latest consultation on First Homes, which reaffirmed its commitment that 25% of affordable homes delivered through developer contributions in future should be First Homes. The response also included more detail on the design of and eligibility for First Homes. Government has also published a Written Ministerial statement and further guidance which will enable First Homes to be delivered through planning.

In advance of delivery through the planning system, this procurement is for a First Homes Early delivery programme for 2021-23 that will deliver an estimated 1,500 First Homes for sale in England (excluding London), with the first purchaser legal completions anticipated from end of 2021 calendar year. The early delivery programme will provide learning to Homes England and MHCLG to assist the further national implementation of First Homes which will deliver at scale via the planning system.

The current and foreseeable levels of affordability challenges faced by first time buyers means that First Homes sold at a 30% discount are likely to be attractive. The national eligibility framework for buyers and the future planning changes will eventually deliver this product at scale through the planning system.

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.3) Place of performance

NUTS codes

- UKC - North East (England)
- UKD - North West (England)
- UKE - Yorkshire and the Humber
- UKF - East Midlands (England)
- UKG - West Midlands (England)
- UKH - East of England
- UKJ - South East (England)
- UKK - South West (England)

II.2.4) Description of the procurement

The following criteria for First Homes will apply

- a. Homes must be sold at a fixed discount of 30% to Market Value in the Early Delivery Programme 2021-23.
- b. A price cap limit after the discount in England (excluding London) of £250,000 will be applied, meaning a maximum Market Value (before 30% discount) of £357,143. The price cap is fixed for the duration of the early delivery programme 2021-23.
- c. There is a maximum household income cap (all applicants) of £80,000 in England (excluding London) for eligible purchasers. This is fixed for the duration of the programme 2021-23.
- d. First Homes are always valued at Market Value (as defined by the RICS Valuation-Professional Standards). Evidence of pre-sales valuation from an RICS Registered Valuer will be required prior to the application of the 30% discount to evidence that the house value does not exceed the price cap.
- e. Qualifying purchasers must always be first time buyers and will need to meet local criteria (e.g. live or work in the area – see below) or be Key/essential workers, if applied. Local Authorities will be able to determine their own local criteria and prioritisation of

Key/essential Workers. These eligibility requirements will therefore be locally determined and set out in an addendum to the local planning agreement between the local planning authority and the house builder.

- f. First Homes will be marketed to buyers meeting the First Time Buyer, income cap and local criteria for 3 months. If no buyer is found after 3 months, the home will be marketed to the national criteria only of First Time Buyer, price cap and £80,000 household income cap for a further 3 months. If no buyer is found at the end of this period, an application may be made to the local planning authority for the home to revert to market sale. The scheme total of First Homes and grant funding available will be reduced if this occurs.
- g. For the purposes of this early delivery programme the local criteria (for the 3 months of marketing are proposed as (and always meeting First Time Buyer and £80,000 household income cap)) are assumed to be:
 - i. Live or work in the Local Authority area of the First Home purchase; or
 - ii. Are a Key work/essential worker or Armed Forces (using the national definitions for Armed Forces and key/essential worker defined locally).
- h. The local criteria applicable may be varied in some respects by local authorities but the approach will broadly be as set out above.
- i. The First Homes definition of First Time Buyer is the same definition applied by Government for Stamp Duty Land Tax first time buyer relief.
- j. The discount will be guaranteed to future buyers in perpetuity, subject to limited exceptions.
- k. The draft standard form S106 First Homes conditions for this supplemental deed as been drafted and is included in the tender documentation. The standard form conditions are to ensure consistency and e.g. to ensure the support of mortgage lenders. .

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.6) Estimated value

Value excluding VAT: £150,000,000

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Start date

4 November 2021

End date

30 June 2023

This contract is subject to renewal

No

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Open procedure

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

IV.2) Administrative information

IV.2.1) Previous publication concerning this procedure

Notice number: [2021/S 000-007018](#)

IV.2.2) Time limit for receipt of tenders or requests to participate

Date

13 September 2021

Local time

12:00pm

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

IV.2.7) Conditions for opening of tenders

Date

13 September 2021

Local time

12:00pm

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: No

VI.3) Additional information

Tenderers wishing to be considered must register their expression of interest and submit a tender through our eTendering system. If not already registered, you should register at <https://procontract.due-north.com/Login>

All discussions, meetings, and communications will be conducted in English.

The contract will be subject to English law. Tender pricing and payments must be in GBP.

This procurement and award are subject to the UK Government transparency arrangements and is subject to the Freedom of information Act 2000. We take a zero-tolerance approach to bribery and corruption see <https://www.gov.uk/government/publications/anti-bribery-and-corruption-policy>.

Homes England is committed to protecting personal data, see <https://www.gov.uk/government/organisations/homes-england/about/personal-information-charter>.

All dates are indicative and may be subject to change.

VI.4) Procedures for review

VI.4.1) Review body

Royal Court of Justice

The Strand

London

WC2A 2LL

Country

United Kingdom