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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](mailto: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

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## **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

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## **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