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04 September 2020

James Shutt  
Senior Housing Development Officer  
Housing Property and Development  
Epping Forest District Council  
Civic Offices  
High Street  
Epping  
Essex CM16 4BZ

Dear James,

Thank you for giving Network Homes the opportunity to bid to become one of Epping Forest District Council's (EFDC) preferred partner Housing Associations. We are excited to have the chance to work closely with you to deliver homes within the Epping Forest District in the years ahead.

Further to our virtual meeting, we have reviewed the documents provided and set out our response below.

#### Introduction to Network Homes

Network Homes is one of the UK's leading housing associations and a member of the G15 group of London's largest Registered Providers. We have been developing homes for 40 years and own and manage over 20,000 homes across London, Hertfordshire and the South East. We develop homes for a variety of affordable tenures including social, affordable and intermediate rents, shared ownership and rent-to-buy products such as London Living Rent. We are proud of the relationships we enjoy across both the public and private sector. Network Homes is a strategic partner of the GLA and we have committed to start over [REDACTED] homes by March 2022. We also have excellent relationships with Local Authorities, and work with a range of developers and housebuilders including joint venture partners to deliver significant mixed-use schemes.

#### Our stockholding in Epping Forest District

Network Homes does not currently own or manage any homes in the Epping Forest District. However, the local authority is a growth area for the business in which our teams are actively seeking opportunities. Moreover, Network Homes has a significant stockholding in neighbouring East Hertfordshire totalling almost 4,200 homes supported by dedicated, locally based management teams.

### Our housing development pipeline

Network Homes' growth strategy sets an expectation that we will commence 1,000 units a year for the next five years across our growth areas. As such, we have an active development pipeline that includes 2,650 homes at varying stages of the pre-construction phase, and almost 1,050 homes that are currently under construction.

### Our Financial capacity

In total, Network Homes has access to over £1.5 billion of funding. We have corporate type finance to meet the needs of our business plan and ensure compliance with our Treasury liquidity requirements. In general we do not use project specific finance. This provides us with total flexibility and means funding is readily available to meet the needs of approved projects as required.

We have historically accessed predominantly Bank/Building Society funding but have, in successive years, acquired funding via debt capital markets in the form of a private placement. This consisted of both secured and unsecured lines of funding and supplemented an innovative hybrid deal which consisted of a short-term revolving credit facility with a bank, followed by an investor takeout for 30 and 32 years respectively. We also have bond finance raised by an aggregator. Our corporate type finance meets the needs of our business plan and ensures compliance with our Treasury liquidity.

Of our £1.5bn in facilities, under £1.1bn was drawn as at 31st July 2020 [REDACTED]. Our facilities include more than £492m of revolving credit facilities as at 31st July 2020, of which £473m was undrawn at 31st July 2020. There are varying maturities across the portfolio with the longest expiring in 2070. We also work closely to negotiate innovative finance deals to boost affordability whenever suitable opportunities arise.

In addition, we have a strong track record of securing public subsidy in the form of grants and low cost finance from the Government and Local Authorities. We have an excellent reputation for delivery and are one of eight strategic partners chosen by the GLA to enter into a special partnership agreement under the 2016-22 Affordable Housing Programme. As a result, Network Homes can call on a flexible pot of £ [REDACTED], for which we are free to apply within the funding rules, for compliant schemes that meet our strategic objectives. We also have access to Homes England grant funding for schemes outside of London through an innovative partnership with Southern Housing Group.

### Commitment to bid for different scales of development

As a mid-sized housing association, we bid on both large and small scale development opportunities. We own large estates across London as well as small garage sites which presents us with opportunities to develop a range of scheme types and scales. Our New Business and Partnerships teams bid on land, S106 and package deals from 25 units to several hundred. Two of our largest development sites are 1) a major residential-led, mixed use redevelopment scheme in London Borough of Ealing to deliver 575 new homes, and 2) a One Public Estate project with London North West University Healthcare NHS Trust, Brent Council and the University of Westminster to deliver 1,300 new homes, 800 student bedspaces and new teaching and leisure facilities for the University facilities as well as improved infrastructure and public spaces at Northwick Park.

### Resource capacity to undertake developments in Epping Forest

Network Homes' Development department comprises almost 70 professionals who work together to successfully take sites through acquisition, planning, construction, sales and aftercare. We have a significant development pipeline (as set out above) and a comprehensive resource structure to enable us to deliver this.

### How development in Epping Forest Local Plan (Submission Version) 2017 accords with the Association's Development Strategy

Implicit within Network Homes' growth strategy is the requirement to deliver a high proportion of affordable homes. Moreover, we have specific internal policies which mean development opportunities are not considered if less than 25% of the units are genuinely affordable rented homes. While the Epping Forest Local Plan seeks to deliver the maximum level of affordable housing, it has identified a clear priority to deliver homes for rent.

We welcome the Local Plan's focus on mixed and balanced communities; our strategy is to provide homes for all kinds of customers at all stages of life. Our developments comprise multiple tenures including (but not limited to) private for sale, Shared Ownership, intermediate rent/rent to buy, affordable rent and Social/Target Rent. We work with our design teams to ensure all tenures are visually integrated into the scheme such that all are tenure blind.

### Reason for seeking Preferred HA Partner status with Epping Forest DC

Network Homes' growth strategy includes an explicit expectation that we will seek opportunities outside our current operational areas, particularly where these are opportunities in districts adjacent to existing areas of strength. As aforementioned, while we do not currently manage homes in Epping Forest it is a core growth area for the business, as we have a significant stockholding and management base in East Hertfordshire, and we are actively bidding on opportunities in the district.

Our approach is to forge strong and lasting relationships with local authorities within the districts we operate and grow. We believe that these relationships lead to the delivery of better schemes that support the unique requirements of the borough/district and its residents.

The preferred partner status we hold with other local authorities and councils allows us to commence early dialogue in relation to land opportunities being brought forward, or where they are seeking to dispose of surplus land. This has led to working on excellent opportunities that can deliver in excess of affordable policy requirements.

We are aware of the strategic sites identified in SP4 and SP5 of the local plan and would be keen to commence early dialogue with you to deliver housing in these new garden town communities. Policy H2 of the Local Plan sets out that the management of affordable housing provided will be undertaken by a Registered Provider which is a Preferred Partner of the Council. Given our intention to grow in the district, and our bidding activity in relation to land and S106 opportunities, we see Preferred Partner status as being a natural next step in the development of a longer-term relationship between Network Homes and Epping Forest District Council.

### Latest Regulator of Social Housing's Regulatory Judgement score

Network Homes underwent an in-depth assessment by the Regulator of Social Housing in September 2019, and its regulatory judgement was unchanged on the previous year. In relation to governance, the regulator was assured that Network's governance arrangements enable it to control the organisation and continue to meet its objectives (G1). The regulator also confirmed that the business complies with the financial viability element of the Governance and Financial Viability Standard, and that the financial plans align with the financial strategy. The regulator noted that Network needs to manage the risks arising from the sales strategy to ensure continued compliance (V2).

A copy of the report is attached to this letter.

Details of how affordable homes within Epping Forest will be managed – including location of nearest housing management office

We have liaised internally with our regional housing management teams who have confirmed that additional homes could be managed within existing resourcing capacity out of our East Hertfordshire office, which is around a 30 minute drive from Epping Forest. As a matter of course, we constantly seek to develop relationships with existing agencies albeit relationships with additional agencies in the area would also be developed.

Latest STAR (or similar) tenant satisfaction rating for the Association

Our customer satisfaction rating is 85%. Our five year strategic plan is to achieve at least 90% customer satisfaction.

Confirmation of commitment to enter into the Standard Epping Forest Nominations Agreement

The Epping Forest Nomination Agreement has been reviewed by our housing team which has confirmed that it is considered acceptable.

Confirmation of commitment to adhere to EFDC's Shared Ownership Policy.

We have read the terms of EFDC's shared ownership policy and we will seek to comply with it. The exceptions could be where a planning permission already exists which varies from the shared ownership policy, or where we seek convert private units to shared ownership which would increase the proportion of these affordable units above 25%.

Name and designation of proposed Lead Officer

Freddie Winkley, Network Homes' Head of New Business will be your initial point of contact. Day to day project management of new acquisition opportunities would be undertaken by one of the operational team members.

I look forward to hearing from you in due course. Please let me know if you require any further information.

Yours Sincerely,

Freddie Winkley  
Head of New Business