	REPORT TO CABINET TO BE HELD ON 17 JULY 2018	
	Key Decision	YES
Corporate Priority Aim 3 – Creating Healthy and Vibrant Communities	Cabinet Portfolio Holder	Cllr Bill Chatt Cabinet Member for Public Health and Housing

REPORT OF: DIRECTOR (NE) – 18/154

WARDS AFFECTED: MULGRAVE

**SUBJECT: COMMUNITY HOUSING FUNDING FOR
DEVELOPMENT OF COMMUNITY-LED HOUSING BY
ST HILDA'S ALMSHOUSES TRUST**

RECOMMENDATION (S):

To approve grant funding of £60,000 from the Community Housing Fund to St Hilda's Almshouses Trust in Hinderwell for the development of 2 units of community-led housing.

REASON FOR RECOMMENDATION

To enable the development of 2 new units of community-led housing

HIGHLIGHTED RISKS:

See attached risk matrix

1. INTRODUCTION

1.1 In July 2017, Cabinet approved the criteria for the allocation of grant payments from the Community Housing Fund to enable the development of community-led housing schemes (Report no: 17/105). As members will recall the Council was granted £1.86 million from DCLG in December 2016 to support community-led housing schemes in the Borough.

- 1.2 The report in July 2017 approved that funding of up to 50% of the total development cost would be met by the Community Housing Fund. As a result Community-led housing groups will need to provide match funding of at least 50% of the total development cost. The report also approved that up front feasibility funding of up to £10,000 could be provided to groups to support their proposals. The feasibility funding does not require any match funding from a group.
- 1.3 This report seeks approval to grant St Hilda's Almshouses Trust in Hinderwell funding of up to £60,000 as development funding from the Community Housing Fund to enable the conversion of previously unused space and office space into 2 new flats, which will be let to local people in housing need in the parish of Hinderwell.

2. CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN

- 2.1 The provision of safe affordable homes by the Trust contributes to the "People" objective of the Council's Corporate Plan with the aim that "There is a choice of high quality, suitable and affordable homes for all".

3. BACKGROUND AND ISSUES

- 3.1 St Hilda's Almshouses Trust in Hinderwell (also known as Hinderwell Almshouses) are a long standing charity (Charity of John Corner) who provide accommodation to local people in housing need in Hinderwell. The Trust owns a building at 35-37 High Street, Hinderwell, which currently contains 4 flats, let to local persons in housing need. The building also has some empty space, which was previously used as community space and offices, which they wish to convert into 2 new flats.
- 3.2 The current trustees took over the management of the Charity's assets in 2012, at which time only 2 of the 4 flats were occupied, with the rest of the building being in poor condition. The Trust were able to secure funding to renovate the 2 unoccupied flats, to bring all 4 flats into use.
- 3.3 The Trust were then keen to look into the conversion of the empty space and office space into 2 further flats to bring the total number of units up to 6. However, a lack of funding at the time meant that they could not proceed with the conversion
- 3.4 Officers met with the Trust in 2017 where it was determined that the Trust met the eligibility criteria for the Community Housing Fund, and as a result would support them with their proposed development. The Trust appointed BHD Architects from Whitby to undertake various building surveys and feasibility work on the potential for conversion of the empty space into accommodation.

3.5 Initial feasibility funding of £5,000 from the Community Housing Fund was granted to the Trust in November 2017. This funding has been used to undertake the following activities:

- Building survey
- Planning application and drawings
- Schedule of Works

A further £2,000 has also recently been granted to the Trusts from the Feasibility Fund to undertake further pre-development works.

3.6 The Trust submitted a planning application to North Yorkshire Moors National Park (NYMNP) in January 2018 for the conversion of the empty space into the 2 flats (1 x 1 bed flat and 1 x 2 bed flat). The planning application was approved by NYMNP in April 2018

3.7 Following the planning approval, the Trust instructed BHD Architects to draw up a schedule of works and obtain detailed costings for the scheme. This has now been undertaken and with fees and other costs, the total project costs come to £120,000 (inclusive of vat). This is made up as follows:

Fees (including Project Management Costs)	£8,000
Actual Build Costs	£97,500
Contingencies (@10% of build cost)	£9,750
Other costs (Gas connections, new floor coverings)	£4,750
Total Project Cost	£120,000

3.8 The proposed £60,000 funding from the Community Housing Fund is 50% of the total project cost. The Trust have secured their match funding element of £60,000 through a mix of their own funds plus external grants from a number of sources. The Trust have provided written confirmation of these funds.

3.9 The Trust have instructed BHD Architects to undertake the procurement of contractors for the project and will be going out to 3 local contractors. An initial invite to tender had previously been undertaken by BHD architects to a wider range of contractors, which resulted in 3 local contractors wanting to tender.

3.10 The Trust have also instructed BHD Architects to undertake the project management of the conversion, which will include compliance with CDM regulations.

3.11 The Trust intend to go out to full tender in August with a view to appointing the successful tenderer in September and commencing work on site in October. It is anticipated that the works will take 6 months to undertake with completion in April 2019.

3.12 Upon the completion of the conversion the Trust will allocate and manage the properties. The Trust have an Allocations Policy for the properties with local

connection criteria, which ensures that the properties will be allocated to local persons in housing need. The Trust also have long experience of managing their own properties and currently manage 4 flats in the block.

4.0 CONSULTATION

- 4.1 Consultation was undertaken as part of the planning application earlier this year. Only one objection was received to the proposed scheme.
- 4.2 A housing needs survey was undertaken by the Council in 2017 to assess housing need within Hinderwell Parish. The survey identified a housing need of 6 persons in the Parish requiring 1 or 2 bedroom affordable accommodation and is sufficient evidence of need to support the development of 2 new units. Since the housing needs survey the Trust have been approached by a number of local persons in housing need regarding the new accommodation and are now taking applications.

5.0 ASSESSMENT

- 5.1 The development of the 2 new units by the Trust will be the first units to be developed through the Community Housing Fund. Officers from Housing Services and Regeneration Services have worked closely with the Trust over the past 12 months to bring forward the development, and have ensured that the Trust has met with the requirements for the Community Housing Fund.
- 5.2 Officers will continue to support the Trust over the course of the development and post implementation to ensure that any issues with the scheme development are addressed.
- 5.3 The development of the 2 flats will provide much needed accommodation for local persons in need in Hinderwell Parish. The recent housing needs survey provides the evidence for that need locally. Without this development coming forward it would have been very difficult to develop new affordable accommodation for single persons or couples within the Parish and would have meant that such persons would need to move out of the area to find suitable affordable accommodation.
- 5.4 The 2 new flats will also increase the rental income for the Trust and secure the long term sustainability of the accommodation. The rent for the flats will be set at affordable rent levels for the locality, and will be capped by the Local Housing Allowance (LHA) to ensure that they will be affordable to tenants in receipt of housing benefit.

6.0 IMPLICATIONS

6.1 Policy

There are no new policy implications for the Council that arise from this report at this time.

6.2 Financial

There are no financial implications to the authority. The grant funding will be from the Community Housing Fund, which is held by the Council. The grant of £60,000 to the Trust represents good value for money at £30,000 per unit and is a considerably lower cost compared to the development of similar new build accommodation.

6.3 Legal

The Council will enter into a grant funding agreement with the Trust to safeguard the Council's funding contribution. The agreement will ensure that the funding can only be spent on the intended purpose. The agreement will also require repayment of grant should the property be sold or used for anything other than their intended purpose without agreement from the Council.

6.4 Equalities and Diversity

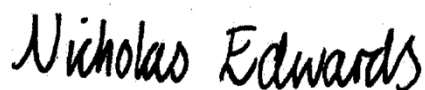
There are no implications at this time.

6.5 Staffing Issues

There are no implications at this time.

6.6 Planning, Environmental, Health and Safety, Sustainability, Crime and Disorder

There are no further implications at this time



Nick Edwards
Director

Author: John Burroughs - Housing Strategy and Development Officer

Telephone No: 01723 383649

Fax No: 01723 365280

E-mail address: john.burroughs@scarborough.gov.uk

Background Papers:

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS, PLEASE CONTACT JOHN BURROUGHS ON 01723 383649 OR E-MAIL john.burroughs@scarborough.gov.uk

Risk Matrix

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
1	July 2018	Insufficient funding to carry out the project	Project cannot proceed without sufficient funding in place	Have already secured sufficient match funding from own funds and external funding from other organisations	B4	A1	Housing strategy and Development Officer	
2	July 2018	Community Housing Fund grant refused	Project cannot proceed without Community Housing Funding	Trust worked closely with SBC officers to ensure application meets all necessary criteria Recommend approval of Community Housing Fund grant	A4	A1	Housing Strategy and Development officer	
3	August 2018	Tender costs come in higher than project budget	Project may not proceed or may need to be changed in some way	Schedule of works been undertaken which has identified project costs and includes contingency and potential extras Project to be value engineered in eventuality tenders come in higher than anticipated	B3	A1	Housing Strategy and Development officer	
4	September 2018	Project subject to increased costs during construction period due to unforeseen circumstances	Project may need to be changed in some way (e.g. may only be able to convert 1 flat)	Full building survey undertaken previously has identified any potential issues Schedule of works been undertaken which has	B3	A1	Housing Strategy and Development officer	

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				<p>identified project costs and includes contingency and potential extras</p> <p>Project Manager to liaise closely with contractor throughout project to ensure that any extra costs are identified early</p> <p>Identify extra sources of funding to meet increased costs of necessary</p>				
5.	April 2019	Unable to let properties once completed	Loss of rental income	<p>Housing needs survey been undertaken in advance of project identified sufficient local housing need Project being built to meet the need</p> <p>Organise open day for project prior to construction period to display plans</p> <p>Advertise availability of new accommodation well in advance of completion of the properties</p> <p>Interest already been shown by potential applicants</p>	A2	A1	Housing Strategy and Development Officer	