	REPORT TO CABINET TO BE HELD ON 15 OCTOBER 2019
	Key Decision YES Forward Plan Ref No 17
Corporate Aims: People	Cabinet Portfolio Holder Cllr Janet Jefferson

REPORT OF: DIRECTOR (NE) - 19/183

WARDS AFFECTED: Danby & Mulgrave, Esk Valley

**SUBJECT: LEALHOLM COMMUNITY LAND TRUST –
FEASIBILITY FUNDING GRANT**

RECOMMENDATION (S):

Cabinet is recommended to approve:

- A feasibility funding grant of £17,936 from the Community Housing Fund for Lealholm Community Land Trust.

REASON FOR RECOMMENDATION (S):

To enable Lealholm Community Land Trust to undertake a feasibility study into the development of a community-led housing scheme in Lealholm.

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 up front feasibility funding of up to £10,000 could be provided to groups to support their proposals. However subsequent work with Community-led housing groups and partners identified that the amount of £10,000 was insufficient to carry out the required level of feasibility works and studies for a community-led housing scheme. As a result approval was given in December 2018 by the Portfolio Holder for Public Health and Housing to raise the feasibility funding to a maximum amount of £40,000 to ensure all relevant feasibility work and studies can be achieved (Report No. 18/301)
- 1.3 This report seeks approval to grant Lealholm Community Land Trust (CLT) feasibility funding of £17,936 from the Community Housing Fund to enable them to carry out necessary feasibility studies to progress a community-led housing scheme in Lealholm.

2. CORPORATE AIMS

- 2.1 The provision of a community-led housing scheme will enable the development of safe affordable homes, which 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 Lealholm CLT are a community-led housing group, who were set up in 2018 as a Community Land Trust to provide affordable housing for the local community in Lealholm village and the wider parish of Glaisdale. Over the past 18 months the group have been working with the Council’s Housing Services to develop a community-led housing scheme within Lealholm.
- 3.2 The need for affordable housing in Lealholm had arisen from concerns locally about the lack of affordable housing for local people and the potential impact and implications this had for the sustainability of the village. Work was undertaken by the Council’s Rural Housing Enabler (RHE) to explore the potential for an affordable housing scheme in the village.
- 3.3 The RHE, working in partnership with the North York Moors National Park Planning Authority and Glaisdale Parish Council, established that there was a significant affordable housing need in Lealholm, through both a Housing Needs Survey and subsequent “Open Day” in the village. The outcome of the survey and open day identified a need of 17 households (as at November 2017). Discussions with the National Park indicated that they would accept a development of up to 8-10 properties based on the need of 17 households.

- 3.4 At the same time, the RHE, National Park and the Parish Council undertook an investigation of possible sites for affordable housing in Lealholm and identified a preferred site within the centre of the village, adjacent to the public car park.
- 3.5 Interest in developing a community-led housing organisation in Lealholm had initially been expressed by the community in 2017. Initial discussions took place between Glaisdale Parish Council, the wider community and the Council as into the development of a community-led housing organisation and a steering group was established.
- 3.6 The steering group were initially granted £4,850 by the Council in early 2018 to undertake community development work and set up as a community-led housing organisation. The group used the funding to set themselves up as Lealholm CLT limited and became constituted as a Charitable Community Benefits Society with community benefit objectives in late 2018.
- 3.7 Since being constituted Lealholm CLT have concentrated on developing the wider project proposal and an outline design brief for the project. In order to take the project forward it was recognised that a feasibility study would be required, in order to define the project.
- 3.8 With support from Council Officers the group developed a brief for a feasibility study, which included the following requirements:
- Initial design plans to RIBA Stage 1 based on the identified need and design brief requirements
 - An initial cost estimate for the development based on the above, inclusive of site acquisition costs, site access costs, service and infrastructure costs and any associated costs in relation to the existing public car park.
 - An initial financial appraisal taking into account a suggested tenure mix based on the identified need, plus the management and long term maintenance costs
 - Any further surveys required to complete the tasks
- 3.9 5 suitable consultants were invited to tender for the feasibility work based on the brief and submissions were received from 4 of the consultants. A detailed evaluation was undertaken of the submitted tenders based on a combination of cost and quality. In the evaluation, Native Architects came out as scoring highest in terms of both price and quality.
- 3.10 The tender costs for Native Architects to undertake the feasibility study amount to £14,436 (inclusive of vat). Based on the tender sum, Lealholm CLT have now completed an application for feasibility funding from the Council's Community Housing Funding. Within the application, the group have also requested extra funding for any additional surveys that might be identified through the feasibility study, plus funding for community engagement work

that will be required in order to work with the wider community on the outcome of the study and the way forward.

- 3.11 The full amount of feasibility funding that Lealholm CLT are applying for is £17,936 (inclusive of vat). This is made up as follows:

Cost of feasibility study by Native Architects including sub-consultants	£14,436
Any additional surveys	£2,500
Further community engagement work including event and marketing	£1,000
Total	£17,936

- 3.12 It is estimated that the feasibility study will take around 2 months to complete and the results of the study will enable Lealholm CLT to refine the project proposal and determine how they will progress the project.

4. CONSULTATION

- 4.1 As mentioned previously a Housing needs survey was undertaken across the wider Glaisdale Parish followed by the Open Day in November 2017, which helped to determine the housing need. The Open Day was attended by over 70 people and there was overwhelming support at the Open Day for the principle of affordable housing development in Lealholm on the identified site.
- 4.2 The application for funding also includes costs for further community engagement work, including an event following the completion of the feasibility study. As a community-led housing scheme, there will be a need to have intensive on-going engagement with the local community in the development of the scheme.
- 4.3 Informal discussions have also been on-going with other partners including the National Park Planning Authority and the landowner agent for the identified site. These discussions will obviously be on-going both as part of the feasibility study and following the completion of the feasibility study.

5. ASSESSMENT

- 5.1 This will be the first community-led housing project by a newly created community-led housing group to apply for funding from the Community Housing Fund to undertake a feasibility study. The study will enable Lealholm CLT to determine the feasibility and viability of their project and to take forward the project to the next stage.
- 5.2 The consultants that the group wish to appoint, Native Architects, have experience in supporting the development of community-led housing schemes. They have previously undertaken a feasibility study for Upper Dales

Community Land Trust in the Yorkshire Dales and designed a recent community-led housing scheme in York.

- 5.3 Officers from Housing Services have supported the group to enable their set up and then through the procurement of suitable consultants to undertake the feasibility study. Officers will continue to support the group over the course of the feasibility study and assist the group to take the project to the next stage following completion of the study
- 5.4 Following the Feasibility Study, Lealholm CLT will also look to appoint a Development Partner to take the scheme forward.

6. IMPLICATIONS

6.1 Policy

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

6.2 Financial

There are no financial implications for the authority. The grant funding will be from the Community Housing Fund, which is held by the Council. The grant requested of £17,936 is well within the limit of £40,000 for feasibility funding that any one group can apply for.

6.3 Legal

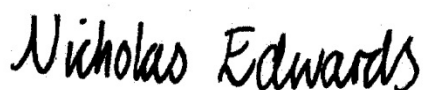
The Council will enter into a funding agreement with Lealholm CLT to safeguard the Council's funding contribution. The agreement will ensure that the funding can only be spent on the intended purpose.

6.4 Equalities and Diversity

There are no implications at this time.

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

There are no further implications at this time



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Background Papers:

None

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS, PLEASE CONTACT THE AUTHOR.

Risk Matrix

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
1	Oct 2019	Feasibility funding not approved	Feasibility study cannot be undertaken. Project cannot progress	Funding application completed and in line with grant criteria	A4	A1	Housing strategy and Development Officer	

Glossary of Terms

Risk	An event which may prevent the Council achieving its objectives
Consequences	The outcome if the risk materialised
Mitigation	The processes and procedures that are in place to reduce the risk
Current Risk Score	The likelihood and impact score with the current mitigation measures in place
Target Risk Score	The likelihood and impact score that the Council is aiming to achieve
Service Unit Manager	The Service Unit or Officer responsible for managing the risk
Action Plan	The proposed actions to be implemented in order to reduce the risk to the target score

Risk Scoring

Impact	5					
	4					
	3					
	2					
	1					
			A	B	C	D
		Likelihood				

Likelihood:

- A = Very Low
- B = Not Likely
- C = Likely
- D = Very Likely
- E = Almost Certain

Impact

- 1 = Low
- 2 = Minor
- 3 = Medium
- 4 = Major
- 5 = Disaster