



DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES	ENVIRONMENT, HEALTH AND HOUSING	5 NOVEMBER 2019	7

COMMUNITY HOUSING FUND PHASE 2 – LINDSAY COURT

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

This report is an update on the Community Housing Fund project and to request approval for £20,500 of Phase 2 Community Housing Grant Funding to continue the work with residents from Lindsay Court Steering group. The funding will support the appointment of professional partners; Cass Associates and ForHousing to carry out extensive feasibility work, with a view to find a workable solution for the regeneration of the site.

In 2018 the Community Housing Fund Officer began working with residents from Lindsay Court, New Road, St Anne's to establish a project to co-design a deliverable solution to establish options to improve the housing stock in the area. A housing need survey of all 96 units was undertaken in 2018 profiling landlords and occupants, their current housing situation and to establish levels of housing need on the estate. This ran alongside extensive community engagement work that established a prominent steering group, Lindsay Court Residents Association.

Phase 1 of the project included supporting the group to access Fylde Council Community Housing Grant Funding to formalise their group status and facilitate partnership working with a project team, (Regenda Regeneration and Cass Associates), appointed in the Autumn of 2018. The purpose of the project team was to consider a fresh approach to effect the refurbishment of the 96 mixed-tenure apartments at Lindsay Court and to work with the residents to undertake co-designing a deliverable regeneration solution/s and test of the preferred options.

In September 2019, following submission of a detailed report, the next steps involved the engagement of a Registered Provider to work with the established project team to take the project forward. The report was presented to the Registered Provider Partnership at Fylde Council and ForHousing were the only provider who formally submitted an Expression of Interest in becoming involved with the project.

The project is now at a Phase 2 stage. Phase 2a is required initially to clarify the viability as to whether to project can proceed further. It will include establishing the expectations, values and support of the freeholder and larger leaseholders of properties on the site, a full detailed building survey of all the blocks, establishing Homes England expectations and conditions regarding tenure mix, funding and best practice support, exploring the implications of the Land Tribunal decision going forward and continuing to work with the established Residents Association. Phase 2b will not progress without freeholder cooperation or clarity on the implications of the Land Tribunal decision. This phase will involve continued engagement with Homes England to identify acceptable tenure and grant funding sources, extensive work with all residents, formal valuation of each unit and gross acquisition figure to secure whole/part of the site.

On completion of Phase 2, the project will progress to Phase 3 which will result in a capital funding bid to Homes England undertaken by the Registered Provider who will lead the project then on.

RECOMMENDATIONS

The Committee is requested to:

1. Note the contents of the report and the progress made to date in delivery of the Community Housing Fund project in supporting residents from Lindsay Court; and
2. Recommend to Finance and Democracy Committee approval of a fully-funded revenue budget increase in the total sum of £20,500 for 2019/20 to be funded by a proportion of the remaining Community Housing Fund, to enable the Lindsay Court Housing project to progress to Phase 2a as detailed within the report, leaving a balance of £241,000.

SUMMARY OF PREVIOUS DECISIONS

Minutes of Environment Health and Housing Committee 4th March 2019

Following a brief discussion it was RESOLVED to:

1. Note the contents of the report and the progress made to date in delivery of the Community Housing Fund project;
2. Recommend to Council approval of a fully-funded revenue budget increase in the sum of £75,000 to provide sufficient resource for the continued delivery of the Community Housing Fund project. The funding was required in the financial years 2018/19 to 2020/21 (£4,500 in 2018/19, £54,000 in 2019/20 and, £16,500 in 2020/21) to be met in full from the Community Housing Fund grant that the Council received in December 2016.

Information Item – Qualified Informal Procedure – Lindsay Court Resident Testing Options

Minutes of Environmental, Health and Housing Committee 13th March 2018

It was RESOLVED to;

1. To note the contents of the report and the proposal to introduce a Community Housing Grant Policy;
2. Approve the adoption of the Community Housing Fund Grant Policy as attached at Appendix 1 to the report; and
3. Approve expenditure to a total sum of £60,000 in respect of the provision of grants in accordance with the Community Housing Fund Grant Policy.

Minutes of Council 17th July 2017

It was RESOLVED to;

1. Approve a fully-funded revenue budget increase in the sum of £440,381, funded by the Community Housing Fund grant in the same sum, as recommended by the Environment, Health and Housing Committee at the meeting of 20th June 2017; and
2. To note that Subject to 1 above, part of the funding in the sum of £100,000 will be used to provide support for the Church Road Methodist Church Project, (Committee 17th October 2016) which would in turn allow the S106 funds previously ear-marked for this project to be re-directed to support other affordable housing developments elsewhere in the Borough.

Minutes of Environmental, Health and Housing Committee 20th June 2017

It was RESOLVED;

1. To note the contents of the report and the proposals to take forward the Community Housing Fund in Fylde, noting that the funds in Year 1 should be used to develop an approach that fits within the current situation within the borough and a need to raise awareness of the Community Led Housing;
2. To recommend to Council approval of a fully-funded revenue budget increase for the total sum of £440,381 funded by the Community Housing Fund grant in the same sum;

3. Subject to 2 above, approve the engagement of a shared Community Housing Fund Development Officer (with Lancaster City Council) initially for a 12-month period to identify and build capacity within local groups by mapping existing interest and developing supporting information for groups to enable the local authority to draw down subsequent years funding to deliver housing on the ground for local people; and

4. Subject to 2 above, approve that part of the funding in the sum of £100,000 be used to provide support for the Church Road Methodist Church Project, (Committee 17th October 2016) which would in turn allow the S106 funds previously ear-marked for this project to be re-directed to support other affordable housing developments elsewhere in the Borough.

Minutes of Council 17th October 2016

It was RESOLVED to:

1. Approve a fully funded addition to the Capital Programme in the sum of £550,00 – “Affordable Housing Scheme at Church Road Methodist Church” – for 2017/18 to be fully funded from part of the balance of S106 developer contributions for affordable housing currently held by the Council for this purpose (from Agreement Ref: 03/0157 – Queen Mary School Development: a total capital contribution of £550,000 to deliver 10 units for affordable rent at Church Road Methodist Church, St Anne’s to Great Places Housing Association); and
2. Authorise expenditure in the sum of £550,000 to Great Places Housing Association in relation to the scheme after regard and consideration of the compliance with the financial regulations covered within the body of the report.

CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services (Value for Money)	√
Delivering the services that customers expect of an excellent council (Clean and Green)	
Working with all partners (Vibrant Economy)	
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	√
Promoting Fylde as a great destination to visit (A Great Place to Visit)	

REPORT

1. The Community Housing Fund was announced in December 2016 by MHCLG and provided nationally £60 million per year of revenue grant funding to enable community led housing (CLH) schemes. In year 1 Fylde BC were awarded £440,381. Subsequent years funding have been transferred to Homes England to run a capital Community Housing Funding programme that provides capital funding for community led housing schemes. Revenue funding is now provided via Power for Change.
2. Community-led Housing is about local people playing a leading and lasting role in solving local housing problems, creating genuinely affordable homes and strong communities in ways that are difficult to achieve through mainstream affordable housing provision.
3. Within Fylde community-led opportunities do not present on Greenfield sites with existing communities to drive new build 100% affordable housing units. Opportunities within the borough present on brownfield sites with potential to regenerate area, with a community-led approach in partnership with registered providers.
4. In 2018 the Community Housing Fund Officer began working with residents from Lindsay Court, New Road, St Anne’s to establish a project to co-design a deliverable solution to establish options to improve the housing stock in the area.
5. A housing need survey was carried out on Lindsay Court in July 2018 that evidenced a housing need for the site with predominantly an ageing population on the site, low incomes, negative equity and housing that is unsuitable to meet need in terms of affordability, design and layout. In addition there was under occupancy on the 2 bed units and a need for an affordable solution to a Land Tribunal decision that requires each flat owner to raise £30,000 to cover works required to the blocks of flats.

6. Community Housing grant fund of £1,987 was awarded to the Lindsay Court Residents Association in September 2019 to facilitate establishing a community group. This funding has aided the group to establish the most appropriate legal entity and to continue to work in partnership with Fylde Council, professional parties on behalf of the Lindsay court community.
7. Phase 1 of the project included supporting the group to formalise their group status and facilitate partnership working with a project team, Regenda Regeneration and Cass Associates, appointed in the Autumn of 2018. The purpose of the project team was to consider a fresh approach to effect the refurbishment of the 96 mixed-tenure apartments at Lindsay Court and to work with the residents to undertake co-designing a deliverable regeneration solution/s and test of the preferred options.
8. In September 2019, following submission of a detailed report, the next steps involved the engagement of a Registered Provider to work with the established project team to take the project forward. The report was presented to the Registered Provider Partnership at Fylde Council and ForHousing were the only provider who formally submitted an Expression of Interest in becoming involved with the project.
9. Co-designing a deliverable regeneration solution for Lindsay Court September 2019, can be found in Appendix 1 of this report. It makes conclusions following the assessment of costs, values and benefits set out in the report on three possible Options (B, C and E) for the development. These are the three preferred options of the Residents Association, having considered 5 Options.
 - Option A. Do nothing: no further investment.
 - ***Option B. Refurbish the existing 16 blocks as per the current tribunal order (external repairs primarily).***
 - ***Option C. As B above, however releasing the underused garage court as a development site to generate some contributory funding.***
 - Option D. As C above, but extending the redevelopment, including additional demolition of some of the existing apartments (those in poorest condition) for redevelopment into new.
 - ***Option E. Comprehensive redevelopment of the entire estate with a higher density scheme to provide a number of apartments in addition to the 96 required for current owners / residents. The additional development to provide contributory funding for the scheme.***
10. The project is now at a Phase 2 stage. Phase 2a is required to clarify the viability as to whether the project can proceed further. It will include establishing the expectations, values and support of the freeholder and larger leaseholders of properties on the site, a full detailed building survey of all the blocks, establishing Homes England expectations and conditions regarding tenure mix, funding and best practice support, exploring the implications of the Land Tribunal decision going forward and continuing to work with the established Residents Association. Phase 2b will not progress without freeholder cooperation or clarity on the implications of the Land Tribunal decision. Appendix 2 contains a flow chart that illustrates diagrammatically the anticipated next stages of the project.
11. Throughout the project regular engagement has taken place with Homes England, Fylde Council, Regenda Regeneration Services and Cass Associates. Key to taking the project forward was the need to engage with a Registered Provider following completion of the preferred options for the site. The role of the Registered Provider will be to lead the project, due to the complexities with the site and the community, and the expert knowledge required in bringing affordable housing grant funding into a scheme of this nature.
12. Initially it was anticipated the project could apply for Homes England Community Housing Capital Grant Funding for redevelopment works. However, the implication of this funding is that any awarded monies are to be committed by April 2020. As a community-led project Lindsay Court would not be in a position to satisfy this requirement. They will still be eligible to apply for Community Housing Grant Revenue funding for Phase 2b project costs.
13. Homes England have also advised 'Power for Change' revenue and capital grant funding is accessible without the time restraint of the Homes England Community Housing Grant Funding, revenue and capital. The engagement of a Registered Provider with expertise in accessing such grant funding will therefore be essential in taking the project forward.

14. Phase 2 project proposal and timeframe has been developed and agreed by the Project Team (Cass Associates, For Housing and Fylde Council) with associated costs and is available in Appendix 3. This report is requesting the initial funding required to begin Phase 2a be provided from Fylde Council Community Housing Fund.
15. At the same time Lindsay Court Residents Association have been supported to submit an Expression of Interest to Power for Change funding for the remainder of the monies required for Phase 2b of the project, in anticipation of the Registered Provider being able to work with the Community to submit a full application. Phase 2b is entirely dependent on the outcome from Phase 2a. The total funding required for Phase 2b which will get the project to a stage where a full capital bid can be made to Homes England for funding through an identified grant programme, is estimated to be in the region of £77,000.
16. If the project is unable to continue to Phase 2b, as the conditions are not favourable, the Community will have a detailed report outlining an appraisal of preferred options for the site, full building survey, implications of the Land Tribunal decision explored and the Lindsay Court Residents Association established as a formal Community Organisation in order to manage the project independently. At any time Fylde Council, if resources are available, should be in a position to re-establish the project when conditions are more favourable.
17. On completion of Phase 2, the project will progress to Phase 3 which will result in a capital funding bid to Homes England undertaken by the Registered Provider who will lead the project from then on.
18. To enable the project to progress to stages Phase 2b and Phase 3 a request is being made to draw additional resources from the Community Housing Fund held by Fylde Council for the total sum of £20,500 to ensure Phase 2a can be undertaken to inform the viability of Phase 2b and ultimately Phase 3.

IMPLICATIONS	
Finance	This report requests that the Committee recommend to Finance and Democracy approval of a fully-funded revenue budget increase in the total sum of £20,500 for 2019/20 in respect of the Lindsay Court Housing project.
Legal	None
Community Safety	Community led initiative for affordable housing provision
Human Rights and Equalities	None
Sustainability and Environmental Impact	Community led initiative for sustainable, affordable housing and an impact on place based regeneration.
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
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BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Power to Change	23/10/2019	https://www.powertochange.org.uk/
Homes England Community Housing Fund	23/10/2019	https://www.gov.uk/government/publications/community-housing-fund-prospectus

Attached documents

Appendix 1 Co-designing a deliverable regeneration solution for Lindsay Court

Available at <https://new.fylde.gov.uk/resident/housing/affordable-housing/> under Community Led Housing

Appendix 2 Phase 2 and Phase 3 Lindsay Court Flow Chart

Appendix 3 Phase 2 and Phase 3 Project brief