

Executive

Miller Road Youth Self Build Housing Scheme

5 July 2010

Report of Head of Housing Services

PURPOSE OF REPORT

This report explains an innovative youth self build affordable housing scheme which has received a Reward Grant from the Oxfordshire Public Services Board. It seeks approval to the commitment and allocation of those monies towards the costs of the works, a structured training programme run in tandem, and the provision of life skills coaching/mentoring, all in accordance with the funding bid. The report identifies the issues that need addressing in order to give partner agencies the confidence they need to move forward with the scheme.

This report is public

Appendix 2 to this report is exempt from publication by virtue of paragraph 3 of Schedule 12A of Local Government Act 1972

Recommendations

The Executive is recommended:

- (1) To note the securing of £324,000 Reward Grant funding specifically for the scheme and the receipt of the first tranche of that funding in the sum of £224,000.
- (2) To approve a Supplementary Capital Estimate of £238,936 to grant to Sanctuary Housing Association in order for them to meet the extra development costs arising from the youth self build elements of the scheme, to be granted in two tranches, £154,936 on start on site and; subject to the receipt of the second tranche of Reward Grant, £84,000 on practical completion of the building works.
- (3) To approve a Supplementary Revenue Estimate of £40,000 to grant to Southwark Habitat for Humanity [a registered charity] for the provision and procurement of life skills coaching / mentoring, in three tranches £10,000 on conclusion of a funding agreement, £14,000 on start on site and subject to the receipt of the second tranche of Reward Grant, £16,000 on practical completion of the building works.
- (4) To approve a Supplementary Capital Estimate of £45,064 to meet the costs incurred by Southwark Habitat for Humanity [a registered charity] arising from the pre start on site and design / site feasibility costs work which has

been completed to date.

- (5) To authorise the Head of Housing, in consultation with the Strategic Director Planning, Housing and Economy, the Head of Finance and the Portfolio Holder for Planning and Housing to negotiate and conclude terms for funding agreements to secure the aims and objectives in [2], [3], and [4] above.
- (6) To approve a Supplementary Capital Estimate as contained in the Exempt Annex of this report.

Executive Summary

Introduction

- 1.1 This report explains this new housing project and highlights the receipt of the first tranche of £224,000 of Reward Grant received from the Public Services Board specifically for the additional costs of a youth self build element including training and life skills mentoring, of a single person affordable housing scheme. The first tranche funding comprises 69% of the total approved bid of £324,000.
- 1.2 This scheme is a youth self build affordable housing for rent development comprising ten one bedroom maisonettes and provides on site and class based training in construction skills to 20 students who are under 25 years old and are NEETS [not in employment, education, or training]. The young people will receive a Diploma Level One in construction skills and will receive housing options advice appropriate to their circumstances. Up to ten of the students will be rehoused into properties upon completion. In addition the young people will receive life skills / mentoring during the project, and continuing tenancy support will be available to the young people who eventually occupy the properties. The project is steered by a Project Board comprising all the partner organisations, young people representatives, and Cllr Gibbard and Cllr Strangwood.
- 1.3 The scheme and its' funding package including the Reward Grant represents excellent value as it contributes to a wider overall development worth £1,273,301 and therefore achieves significant leverage.
- 1.4 This report addresses the allocation of the funding to the partners in line with the successful bid, and highlights the other issues that will need to be addressed in order to give the partners the confidence they need to move forward with the scheme.

Proposals

Use of LAA Reward Grant

- 1.5 As the scheme develops and pre start on site costs are incurred i.e. scheme design, and planning application etc, and as the first tranche of Reward Grant has been received in the total sum of £224,000, it is appropriate to begin distribution of funding in accordance with the successful Reward Grant bid.
- 1.6 It is therefore proposed that a first tranche of £154,936 of the Reward Grant

capital monies be granted to Sanctuary Housing Association in order for them to meet the preparation, design and start up costs associated with the scheme. It is also proposed that a second tranche of Reward Grant capital funding be made on practical completion of the works in the sum of £84,000. It is proposed that a funding agreement be put in place to cover these grants to Sanctuary Housing Association and this will stipulate, inter alia, the purposes for which the funding is granted, the conditions Sanctuary Housing Association must satisfy to receive and retain that funding, and the grounds for recovering all or some of that funding if the scheme does not proceed to completion, and/or if Sanctuary Housing Association breach any key condition attached to it.

- 1.7 Of the remaining Reward Grant it is proposed that £40,000 will be used to fund the life skills coaching / mentoring service provided to the young people during the project as outlined in the successful Reward Grant Bid. The Children, Young People, and Families Service of Oxfordshire County Council have provided great assistance in devising a brief for the life skills / mentoring role. As site management and supervision is one of the responsibilities of Southwark Habitat for Humanity, and given the close relationship between site supervision and the general conduct of the young people, it is appropriate that they also provide the life skills/ mentoring support to the project. Due to the specialist nature of that role Southwark Habitat for Humanity may need to procure the service from an appropriate provider. The life skills / mentoring role will commence prior to start on site as some work will need to be carried out with the selected students prior to the scheme beginning. It is proposed that of the £40,000, the first tranche of £10,000 is paid to Southwark Habitat for Humanity at the completion of a funding agreement, a further £14,000 payable on start on site, and the remaining £16,000 on practical completion. A funding agreement will be put in place between the Council and Southwark Habitat for Humanity alongside that proposed in paragraph 1.6 above, covering identical issues [i.e. Specifying the purposes for which the funding is granted, the brief of the life skills coach/mentor, the conditions Southwark Habitat for Humanity must satisfy to receive and retain that funding, and the grounds for recovering all or some of that funding if the scheme does not progress, and/or Southwark Habitat for Humanity breach any key condition attached to it].
- 1.8 Southwark Habitat for Humanity has already begun significant work in the development of the project to this stage. This includes site feasibility and survey, infrastructure survey, scheme design and preparation of the planning application. Costs of £45,064 have been incurred by them and they are now seeking payment. It is proposed that these legitimate costs are met from the first tranche of the Reward Grant capital monies that have been received.

National Affordable Housing Programme Funding

- 1.9 The overall funding plan for the scheme assumes normal levels of National Affordable Housing Programme funding will be available. An application to the Homes and Communities Agency [HCA] is to be made imminently by Sanctuary Housing Association. Following the recent Budget the details of the funding priorities and the funding envelope for the HCA have to be confirmed but we expect that funding will be available later in the year.
- 1.10 Confidence needs to be given to the various partners involved in the scheme in order for them to continue to develop their plans and take the necessary

actions to achieve a start on site in November 2010. The range of partners, the time critical training element of the project, and its' wider social benefits, distinguishes the Miller Road scheme from more traditional affordable housing schemes.

Contingency Plans for Funding

- 1.11 In order to mitigate any potential risk to funding or the risks arising from a period of funding uncertainty, the Council should approve a Supplementary Capital Estimate using the earmarked capital receipts for housing, to provide local authority social housing grant to Sanctuary Housing Association under Section 25 of the Local Government Act 1988 in order that the scheme can continue to proceed. This would be a worst case scenario if funds from the Homes and Communities Agency are not forthcoming at all, and in which case we would negotiate with Sanctuary Housing Association and Southwark Habitat for Humanity to find an acceptable funding package that minimises the call on the Council's earmarked housing capital receipts.
- 1.12 Discussions have already taken place with Sanctuary Housing Association and they have indicated that they would forward fund the scheme if HCA funding was approved but delayed to the following year.
- 1.13 Several other schemes in the Council's affordable housing programme may also be affected by the Homes and Communities Agency's funding position, and further reports will be made to the Executive as further information becomes available.

2.0 Conclusion

The Miller Road Youth Self Build Scheme is an exciting and innovative housing project that provides not only much needed affordable housing but key additional benefits of skills training, life skills development, and improved employment prospects for young people who are not currently in employment, education, or training. It is a significant Cherwell District Council contribution to the Banbury 'Brighter Futures' initiative to improve the opportunities of a relatively deprived area of the Town. It is also a scheme that can be replicated locally and nationally.

Background Information

- 3.1 The site of the Miller Road Youth Self Build scheme is a largely landlocked area at the rear of existing housing on Miller Road, some of which are owned by the Sanctuary Housing Association [see Appendix 1]. The site is accessible via an access road owned by Sanctuary Housing Association. The land for the self build scheme was transferred by the Council to Banbury Habitat for Humanity for residential housing purposes on 15th September 2000. The land was then subsequently transferred to Southwark Habitat for Humanity which is part of the same Group Structure.
- 3.2 The site is in the Ruscote Ward which is one of the three areas of highest deprivation in the District identified in 'Brighter Futures'.
- 3.3 The housing scheme provides 10 one bedroom maisonettes for rent by single young people. The maisonettes will be developed by Sanctuary Housing Association with the construction being undertaken by Southwark Habitat for Humanity. It will involve a self build element which will comprise on site and classroom based study leading to a Diploma Level One in construction skills. The skills training will be provided by the Oxford and Cherwell Valley College which is developing a bespoke course specifically for the scheme. Two cohorts of ten students each will work on the scheme, one commencing at the beginning, one joining midway through the building process. Key skills will involve use of simple building tools and equipment, building, bricklaying, plastering, joinery, painting and decorating, and also team working and general work orientation. The College will also use the scheme to enrich other existing courses they provide so that a wider group of students can gain some practical experience from the scheme for example photography, design etc.
- 3.4 The composition of the two cohorts undertaking the self build element of the scheme will be targeted at young people 18 to 25 years of age who are not in employment, education, or training [NEETS]. It is hoped that the skills training will attract young people who meet the above criteria and who live in or close to the Ruscote Ward.
- 3.5 It is anticipated that the young people who achieve the Diploma Level One will be encouraged to undertake further qualification skills training, and/or use the Diploma as a means of supporting applications for future employment.
- 3.6 The Project will contribute to a number of Local Area Agreement 2 targets, in particular: [* denotes CDC leads]
NI 46 : Young Offenders access to suitable accommodation
NI 91 : Participation of 17 year olds in education
NI 117 : 16-18 year olds who are not in education, employment or training .
NI 141 : Percentage of vulnerable people achieving independent living
NI 154 : Increase in total housing*
NI 155 : Increased units of affordable housing*
NI 156 : Reduced number of households living in temporary accommodation*.
- 3.7 The total scheme costs are £1,273,301 and social housing grant is required to supplement the private finance raised by the Sanctuary Housing Association. The social housing grant is subject of an application to the Homes and Communities Agency for funding. In addition a successful application was made to the Public Services Board for Reward Grant Funding arising from the

out-performance of Local Area Agreement affordable housing targets. The funding was in recognition of the additional benefits provided by the scheme and the additional costs of the extended building process as a result of the self build element of the project. A Reward Grant of £324,000 was awarded comprising £300,000 capital and £24,000 revenue and payable in two tranches, one at commencement [£224,000] which has now been received by the Council, and the second tranche of £100,000 to be received on project completion.

- 3.8 A scheme design has been completed and an application for full planning approval is to be made at the end of June 2010. An Information Session was arranged on 26th June 2010 in the local area prior to the submission of the planning application in order to fully inform nearby residents about the scheme, how it will be developed and managed, and the benefits that will be created.
- 3.9 During the Project the two cohorts of students will receive life skills coaching / mentoring to support them in the work environment, assist in team working and self development, and prepare them for independent living. This is a very specialised area of support and the Children, Young People and Families Service of Oxfordshire County Council have assisted in the development of a brief for this role.
- 3.10 Start on site is planned for 1st November 2010 and completion by January 2012. At the end of the project, ten of the young people will be rehoused into the maisonettes and they will receive intensive life skills support prior to their tenancy, and tenancy support after the commencement of tenancy to assist tenancy sustainability. All of the students will receive housing options advice from the Council and those for which the scheme is appropriate will be rehoused into the scheme with particular attention given to those who may already have local connections to the area. Charter Community Housing will manage the properties once they are completed.
- 3.11 It is critical that the scheme achieves start on site in November 2010 as not only is the scheme of high profile given the additional benefits over and above a normal affordable housing scheme, but the College will be recruiting staff and students in the summer ready to begin their studies when the scheme starts. A delay would lead to reputational risk and could lead to complications with the funding of the skills training.

Key Issues for Consideration/Reasons for Decision and Options

-
- 4.1 This report highlights the success of the bid for Reward Grant funding for the development of a Youth self build affordable housing scheme leading to improved training and employment prospects of 20 young people who are not in employment, education, or training [NEETS].
 - 4.2 The report addresses the distribution of funding in line with the bid and the work that has been undertaken on the project to date.

- 4.3 The scheme is managed by a Project Board which met formally for the first time on 8 June 2010 and comprises the partner agencies i.e. Southwark Habitat for Humanity, Sanctuary Housing Association, the Children Young People and Families Service of Oxfordshire County Council, Oxford and Cherwell Valley College, the Council, Cllr Gibbard and Cllr Strangwood.

Consultations

Homes and Community Agency

The HCA have stated that they support the ethos and outcomes of the scheme but their funding for the National Affordable Housing Programme still has to be confirmed following the recent Budget. An application for funding is to be made imminently by Sanctuary Housing Association. The scheme offers a number of key outcomes over and above a traditional housing scheme and provides significant additionality. The outcomes from the scheme are wholly consistent with the priorities in the HCA's Forward Investment Programme.

Implications

Financial:

The report informs the Executive of the award of £324,000 Reward Grant specifically for the funding of a youth self build scheme at Miller Road by way of Reward Grant from the Public Services Board, the first tranche of which has been received by the Council in the sum of £224,000. The report proposes that funding is allocated in accordance with the successful bid.

The report also proposes that supplementary capital estimates are approved in the sums of £238,976 and £45,064, and that a Supplementary Revenue Estimate is approved in the sum of £40,000.

The report further proposes that a Supplementary Capital Estimate is approved as contained in the Exempt Appendix of this report.

Comments checked by Eric Meadows, Service Accountant , 01295 221552

Legal:

The Head of Housing Services will work closely with the Legal Services Unit to ensure the funding agreements arising from this report properly and robustly secure the Council's interests, aims and objectives in relation to the scheme.

Comments checked by Richard Hawtin, Team Leader – Property and Contracts 01295 221695

Risk Management:

There are five key risks identified in the Risk Map for this Project.

- Availability of second tranche of Reward Grant funding. As the Project is well underway discussions with the County Council are ongoing

to ensure that this unique project which is the flagship housing scheme in the LAA Reward Grant Programme is able to secure the second tranche of funding.

- Availability of Homes and Communities Agency funding for the scheme. This report proposes alternative funding options as a contingency plan to meet the social housing grant requirement.
- Obtaining Planning Permission. Outline planning permission for residential development already exists. Pre planning advice has been received and the scheme design has been thoroughly discussed with Planners and with Sanctuary Housing Association. An information giving session for nearby residents has been held on 26th June in order to fully inform the near residents about the scheme.
- Recruitment of Young People. The scheme objectives are based on the recruitment of approx 20 young people who are NEETS. Discussions have been held in the District with key agencies to quantify and identify young NEETS who may be potentially interested in the scheme. The College will be marketing the scheme shortly and will be targeting young NEETS. It is felt that this combination of work will ensure the cohorts of students reflect the Project's objectives.
- Sustainability of Young People. The College and in particular the Life skills coach / mentor will help to ensure that the young people are able to adapt to the requirements of the training course and the disciplines of the self build. In addition ongoing tenancy support will be available from Charter Community Housing to the tenants once the development is completed and occupied. This will assist ongoing tenancy sustainability.

Comments checked by Rosemary Watts, Risk Management & Insurance Officer 01295 221566

Equalities

The completion of the Miller Road Youth Self Build Project delivers construction training skills and life skills development to twenty young people who are not in employment, education or training. Such an opportunity raises their level of life skills and interaction skills, as well as improving their future employability. Some of the young people will also be living in unsettled accommodation and the Project provides for ten young people to be rehoused into the development once it is completed. Others will receive housing options advice appropriate to their circumstances. By supporting the interaction between the young people themselves and with key agencies, as well as developing life skills, team working and construction skills it provides an opportunity pathway for some of the more disadvantaged young people in the District to fully

integrate into the community and maintain a sustainable tenancy. The scheme is consistent with the equality impact assessments for the Housing Strategy and Homelessness Strategy.

Comments checked by Claire Taylor, Strategy and Performance Manager 01295 221563

Wards Affected

Ruscote

Corporate Plan Themes

By the provision of much needed affordable housing to rent and the provision of construction related skills , and thereby improved employment prospects to young people who hitherto were not in employment , training or education ; the proposals in the report address the following Corporate Plan Themes:-

Cross Cutting Aim – Break the Cycle of Deprivation and Address Inequalities Across the District [Banbury Brighter Futures].

A District of Opportunity

- Delivery of 100 new homes for those in need of better housing.

In addition the Miller Road scheme supports the achievement of the Cherwell Sustainable Community Plan's four ambitions as follows:

- Opportunities for All – Our Communities in 2030
- Diverse and Resilient – Our Economy in 2030
- Connected and Protected – Our Infrastructure and Environment in 2030
- Resourceful and Receptive – Community and Leadership in 2030

Executive Portfolio

Councillor Michael Gibbard
Portfolio Holder for Planning and Housing

Document Information

Appendix	Title
Appendix 1	<i>Miller Road Site Plan</i>
Appendix 2	<i>Restricted</i>
Background Papers	
None	
Report Author	Ian Saville, Strategic Housing Officer
Contact Information	01295 221787 ian.saville@Cherwell-dc.gov.uk