

Bridport Cohousing: Community Housing Infrastructure Funding Bid

Date of Meeting: 10 December 2019

Portfolio Holder: Cllr G Carr-Jones, Housing

Local Member(s): Cllr Williams, Cllr Bolwell, Cllr Clayton

Executive Director: Mathew Kendall, Executive Director of People - Adults

Executive Summary:

Bridport Cohousing has planning permission to develop 53 affordable homes on land adjacent to Bridport Hospital. In order to ensure this development is viable Homes England has awarded £808,855 to Dorset Council from the Community Housing Fund Infrastructure Grant. The homes will be developed by Bournemouth Churches Housing Association (BCHA) and the grant will be passed to them to carry out the required works.

The Community Housing Fund closes at the end of March 2020 and the planning permission also requires work to start on site in January 2020. BCHA have awarded the build contract to CG Fry and are planning starting on site in January 2020.

This funding is in addition to a £2.7 million of grant from Homes England which is being paid directly to BCHA and Bridport Cohousing.

Bridport Cohousing has been working on this development for ten years and this represents an opportunity to develop 53 affordable homes. Homes England are supportive of this innovative approach to the development of housing and this would be the largest all affordable cohousing scheme in the country.

Equalities Impact Assessment:

This report does not effect any strategy or policy function. Homes would be allocated in accordance with the nominations agreement signed by the Council, BCHA and Bridport Cohousing. This accords with our current allocations policies, therefore an EQIA is not required.

Budget: A grant of £808,855 has been awarded to Dorset Council from Homes England for this work. Dorset Council was awarded a government grant in 2017 to enable Community Led Housing, £175,000 has been spent from the Community Led Housing fund to support the acquisition of this site.

There are no VAT implications arising from this.

Risk Assessment: If the Council are not able to agree a contract for this funding then it is likely that the homes will not be completed. The Bridport Cohousing group have raised considerable sums themselves for the project, and the Council have also provided financial support, so there is a risk of reputational damage for the Council if it is unable to agree a contract with Homes England.

The funds awarded to the Council will be passed directly to BCHA which will limit the risk for the Council. Legal Services are preparing an agreement between the Council and BCHA which would confirm the responsibilities and risks between both parties and reduce the Council's exposure to risk. This will ensure that this remains a low risk project for the Council.

A build contract for the development has been tendered and awarded by BCHA.

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: LOW

Residual Risk: LOW

Climate implications: Bridport Cohousing are working hard to limit the environmental impact of these new homes. This includes homes that will have solar panels on the roof and communal car sharing schemes, green energy systems and a market garden.

Other Implications: This project will be the largest community led housing scheme in the Dorset The Cohousing group are committed to a creating a neighbourhood with mutual support, good social life, a safe setting, and common ownership and values

Recommendation: That Dorset Council enter into a contract with Homes England for the grant of £808,555 to support the Bridport Cohousing development on terms to be approved by the Monitoring Officer and s.151 officer in consultation with the Housing Portfolio Holder.

Reason for Recommendation: To support the community led development of 53 affordable homes.

Appendices: None

Background Papers: Community Housing Fund Prospectus

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1. Background and Reason Decision needed

- 1.1 Bridport Cohousing formed in 2009 with the aspiration of developing an affordable cohousing scheme in the area. Cohousing is described as a way of living which brings individuals and families together in groups to share common activities while also enjoying their own self-contained accommodation and personal space.
- 1.2 Since the inception of the Cohousing Group they have set up as a community land trust, have acquired land adjacent to Bridport Hospital and have been granted planning permission for 53 homes. The planning permission was granted for two phases and work is required to start on site in January 2020 or the permission will expire.
- 1.3 Bridport Cohousing have formed a partnership with Bournemouth Churches Housing Association (BCHA) who will lead the development of this site and will retain a long lease for 26 of the homes. This model has been designed to allow Bridport Cohousing to benefit from the development expertise of BCHA and to share the development risk meaning the project can be funded.
- 1.4 When the homes are complete 26 will remain in the ownership of BCHA and the remaining will be owned by Bridport Cohousing. The homes owned by Bridport Cohousing will be sold to their members on a shared equity bases. Once completed the development will be a mix affordable rent, key worker, shared ownership and shared equity homes. Bridport Cohousing will own the freehold of the whole site and all the homes will meet the National Planning Policy Framework definition of affordable housing.
- 1.5 Bridport Cohousing have led on several consultation events in the town to promote this project. It has also had two planning permissions, which also had consultation events, granted for the site which have been supported by the community and has generated a lot of positive publicity for the project.
- 1.5 The Council, BCHA and Bridport Cohousing have signed up to an allocations agreement for these homes. The homes will help to meet the identified housing need in the area, there are over 450 households on the housing register with a connection to the Bridport area.

As part of the agreement for the development of the site the NHS will have nomination rights for 6 of the home, as the development is next to the hospital and access over NHS land is required. It is hoped these homes will assist in recruiting staff for the hospital as historically this has been a problem, if the NHS are unable to find suitable tenants then the accommodation will be offered to others working in the care sector with a housing need.

2 Homes England Funding

- 2.1 Over the past 2 years Bridport Cohousing, BCHA, Homes England and Dorset Council have been working on ways to ensure this development is viable. Homes England are very supportive of this scheme and want to see if this model of development will succeed so it can be replicated in other areas.
- 2.2 As part of the discussions for the scheme it was agreed that it would be appropriate for the Council to bid for grant Homes England funding through the Community Housing Fund. Part of the funding will pay the infrastructure costs associated with housing development, reflecting the fact that there can be high levels of infrastructure on sites selected by the community which can be difficult to fund.
- 2.3 After working through a cost analysis of the scheme it was decided that the Council would bid for £808,533 in funding which has now been approved by Homes England. Homes England specifies that only a Local Authority is eligible to apply for this funding stream. This means that the Council will need to enter into a contract with Homes England for this funding. The purpose of the contract will provide assurance to Homes England that the Council will spend the funds on the identified works. The Councils legal team are currently working with Homes England to agree a contract that will limit the risk to an acceptable level. Once the funding has been received this will be passed to BCHA who are managing the development. The Council will have a separate agreement with BCHA to ensure the funding will be spent in accordance with the Homes England agreement. This will mitigate the risk to the Council.
- 2.4 Homes England will also put funding into the homes that will be owned by BCHA through the Shared Ownership and Affordable Homes Programme, as well as additional support to Bridport Cohousing. Previously the Council has awarded Bridport Cohousing £175,000 from the Community Housing Fund grant towards acquiring the site. Bridport Cohousing also raised £250,000 for the land purchase. BCHA will use its funds and borrowing for the rest of the costs. By drawing all these funds together a viable development plan has been created.
- 2.5 BCHA are an experienced developer of affordable housing and have completed several local projects with funding from Homes England. A building contract for this development has been awarded to CG Fry through a competitive tender and they plan to start on site in January 2020.

3 Corporate Priorities

- 3.1 This scheme will deliver 53 affordable homes, if it was not for the community taking the lead on this project, and generating local support for this, the homes on this site would not have come forward.
- 3.2 This project meets with the draft corporate plan objectives to develop appropriate, affordable, sustainable housing.
- 3.3 Having the cohousing group owning the site and occupiers signing up to become members will lead to the creation of a cohesive, inclusive, safe and active community.
- 3.4 This development is seen as an example of an innovative approach towards the development of affordable homes and could lead to positive publicity for the Council. As one of the largest cohousing schemes in the Country this is seen as a flagship development and Homes England are keen to promote this scheme once complete as a national case study.