

Appraisal Panel Summary

Scheme Details

Project Name	Bradwell 12		
Grant Recipient	Peak District Rural Housing Association		
SCR Executive Board	Housing	SCR Funding	£270,000
% SCR Allocation	12.7%	Total Scheme Cost	£2,132,800

Appraisal Summary

Project Description
<p>This project involves the purchase and refurbishment of 12 rented houses in Bradwell. The houses were built in the 1950s for workers at the neighbouring engineering works. Several other nearby houses owned by the company have been sold. Twelve local rental properties are still owned by the company and are occupied by local families, but there are plans to sell them, with a private company interested.</p> <p>Bradwell Community Land Trust (CLT) wish to ensure that the current tenants do not lose their homes and that this stock of affordable rented housing remains in the village to serve the needs of this vibrant community.</p>
Strategic Case
<p>While the project does not deliver any net new housing units, it will safeguard 12 affordable homes in the rural village of Bradwell, which would otherwise be lost for sale on the open market and be unaffordable to local people on low incomes.</p> <p>Safeguarding these affordable homes by transferring ownership of the freehold to Bradwell CLT will ensure that residents on low incomes, can continue to afford to live in the village. This in turn will help sustain a local workforce to support the ongoing viability of local industries such as tourism, the aggregates factories and local fluorspar mines in the surrounding area.</p> <p>The scheme is located in Derbyshire Dales, an area of high house prices and a shortage of affordable homes to rent. The delivery of affordable housing for local people is highlighted as 1 of 3 key priorities in the Council's Corporate Plan 2015-19.</p>
Value for Money
<p>Although the project does not deliver any net additional housing units, by safeguarding the properties as affordable homes, this results in welfare benefits including health (reduced overcrowding/rough sleeping) and distributional impacts.</p> <p>The Net Present Value of these welfare benefits equates to £512,783 compared to the costs of the scheme (£270,000). Thus, the scheme will deliver a Benefit Cost Ratio of 1.9 which is acceptable value for money for a rural scheme of this nature.</p>
Risk
<p>Risks identified by the applicant, include:</p> <ol style="list-style-type: none"> 1. Owner reneges on agreement to sell 2. Grant funders fail to contribute 3. Cost of repairs exceeds estimates <p>Risks 1 and 2 are both potential "showstoppers", but would not result in any loss of funds to SCR. Risk 3 appears to have been appropriately costed, including some contingency budget (5%); however, Peak</p>

District Rural Housing Association (PDRHA) have confirmed that any costs overruns would be covered by them and there would be no further ask of SCR.

Delivery

Limited information has been provided to confirm how this project will be managed. However, this is not a complex undertaking and consists of the purchase and minor refurbishment of 12 properties. Key delivery milestones, costings and timescales have been provided. It is therefore considered that the level of detail provided is proportionate given the scale and complexity of the project.

Legal

The applicant has made a case that the grant is lawful aid as being aid to compensate an undertaking entrusted with the operation of an SGEI (in this case social housing). The applicant should ensure they have a robust analysis of the costs incurred in the development and the costs to be incurred in managing the properties over a reference period compared to the total receipts from sales/rents and other grants over the reference period to justify SCR funding is required.

Recommendation and Conditions

Recommendation	Full grant award
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	

The following conditions must be satisfied before contract execution.

1. Submission of evidence that all necessary PDRHA internal approvals are in place.
2. That a comprehensive State Aid advice, from a solicitor, is submitted.
3. Agreement that a clause stating that use of the asset should remain as set out in the FBC for a minimum 10-year period after completion of the project, to be included in Funding Agreement.
4. Agreement that suitable overage clauses are included in the Funding Agreement
5. All required statutory consents including all planning enquiries must be satisfied.

These conditions must be met by 25th November 2019

The following conditions must be satisfied before drawdown of funding.

6. Confirmation that viable options are in place to ensure successful project completion even if costs exceed current estimate.

The following conditions must be included in the contract

7. Clawback will be applied proportionately on the outputs (12 units refurbished and remaining affordable for a minimum of 10 years).

Record of Recommendation, Endorsement and Approval

Project Name

Appraisal Panel Recommendation		Board Endorsement		MCA Approval	
Date of Meeting		Date of Meeting		Date of Meeting	
Head of Paid Service or Delegate	Ruth Adams Deputy CEX	Endorsing Officer (Board Chair)		Approving Officer (Chair)	
Signature		Signature		Signature	
Date		Date		Date	
S73 Officer or Delegate	Simon Tompkins Finance Manager	Statutory Finance Officer Approval Name: Signature: Date:			
Signature					
Date					
Monitoring Officer or Delegate	Steve Davenport SCR CA Solicitor				
Signature					
Date					