


# SCR Housing Fund: Strategic Business Case



Thank you for your interest in the Sheffield City Region (SCR) Housing Fund. You can find more details about the Fund and some useful information to consider when completing this form in the accompanying SCR Housing Fund Prospectus. This FBC contains some guidance notes (in blue text) – please overtype this blue text with your responses. Please also ensure you complete the spend/ delivery profile template and submit it with your completed FBC.

## 1 - SCHEME DETAILS

### 1.1 - SCHEME INFORMATION

Scheme Name:	<b>Bradwell 12</b>
Scheme Summary: 100 words (please append any graphics)	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 in purchasing them. Bradwell 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.
Scheme Location/ Address, including Post Code and Local Authority Area:	 all in Derbyshire Dales District Council area and the Peak District National Park.
Site Ownership:	The houses are currently owned by Hope Valley Residential Limited
Other Delivery Partners and Roles:	<b>emh Group</b> – Development agents for the purpose of accessing Homes England funding. <b>Bradwell Community Land Trust</b> – eventual freeholders of the houses who will ensure that these affordable homes are retained for the community in perpetuity. <b>Homes England</b> – Contributor of funding via their Community Housing Fund <b>Derbyshire Dales District Council</b> – local housing authority and contributor of funding <b>Rupert David and Co, Chartered Surveyors</b> - Valuer <b>Qore Energy Limited</b> – Surveyors for condition report.
<b>1.2 - APPLICANT'S INFORMATION</b>	
Applicant Organisation:	Peak District Rural Housing Association
Contact Name and Role:	Alison Clamp – Company Secretary and Area Manager

# SCR Housing Fund: Strategic Business Case



Address:	correspondence address – PDRHA - Whitwick Business Centre, Stenson Road, Coalville, Leicestershire, LE67 4JP,
Email:	<a href="mailto:alison.clamp@midlandsrural.org.uk">alison.clamp@midlandsrural.org.uk</a>
Telephone:	██
Is your organisation an SME?	PDRHA is a small housing association.

# SCR Housing Fund: Strategic Business Case



1.3 – HEADLINE INFORMATION (Please also complete the spend/ delivery template)	
Total number of housing units unlocked/ delivered by the scheme:	12
Project Start Date:	April 2019
Project Completion Date:	quarter 2 2019/20
Date the first home will be available for occupation:	quarter 2 2019/20 – the current residents will not move /

1.4 - FINANCIAL SUMMARY (Please also complete the spend/ delivery template)	
A - Total Scheme Costs (£):	██████████
B - Total Private Investment (£):	██ The loan will be the maximum sustainable by the rental income from the houses)
C - Total Other Public Sector Investment (Non-SCR Funding) (£):	██████████ – Derbyshire Dales £██████████ – Homes England
D - Total SCR Funding Sought (£):	£██████████ (to be agreed with Homes England)
E - SCR Loan Funding Sought (£):	nil
F - Total SCR Funding Sought (£):	██████████ (to be agreed with Homes England)
G - SCR as % of Total Scheme Investment (G=F/A):	██████████

## 2 – HOW DOES YOUR PROJECT MEET THE PRINCIPLES OF THE FUND?

### 2.1 – Provide details of other funding sources considered and/ or applied for and why they are unsuitable and/or the project was unsuccessful.

Not Applicable  
Other funding sources, Homes England Community Housing Fund and Derbyshire Dales District Council are both agreeable to making funds available.

### 2.2 – Provide a brief summary of what funds from other sources (public or private) are to be invested in this scheme.

PDRHA will borrow the amount required from [REDACTED] this will be secured on the properties at Bradwell and is the maximum amount which is sustainable from the rental income of the 12 houses. The valuation report shows that there is sufficient equity in the properties to secure the required [REDACTED] [REDACTED] lends on the basis of security valued at 'existing use value' with a loan to value ratio of around 80%. The twelve properties are valued at [REDACTED] on this basis, providing sufficient security. Triodos in line with other lenders will only provide funds over 25 years.

Homes England funds are to be provided, A bid has been made to their Community Housing Fund. for between £[REDACTED] per unit in total between £[REDACTED].

Derbyshire Dales District Council has pledged to support the project with [REDACTED] per unit a total of [REDACTED].

### 2.3 – Why is public funding needed for this scheme? With support from this fund what will be achieved that otherwise would not have been possible?

The funds will ensure that

- the properties are retained for local renting and with the freehold held by the Bradwell Community Land Trust, homes will be exempt from the current right to buy legislation and will therefore be affordable for those on lower incomes in perpetuity.
- the possibility of the eviction of the current tenants is avoided
- the homes are not sold off on the open market nor rents raised,
- the refurbishment of the homes to PDRHA standards.
- the current tenants will have security of tenure
- the current tenants will remain part of the community of Bradwell
- the education of any involved children is not interrupted and school numbers are maintained
- this stock of housing will help to sustain and develop the viability and sustainability of the Bradwell community.
- The stock of housing for those working in lower paid jobs in local industries is maintained

This project was initiated by Bradwell Community Land Trust, a group of local people determined to safeguard and improve affordable housing in their village. They are concerned that these homes could be sold to a private company. The Trust is working closely with PDRHA, a local specialist registered provider. Both organisations are deeply committed to the project but neither have sufficient resources to make the purchase.

Public funding is therefore required to support the rescue of these homes. They are an important part of the affordable housing stock in this Peak District village. If sold privately the homes would be lost as affordable homes. Without the input of public funds the rents required to sustain the purchase would not be affordable to those on low to moderate incomes. The purchase is therefore a long term

# SCR Housing Fund: Strategic Business Case

investment in the community of Bradwell. A private company would not be concerned about this aspect of the homes

If the houses were to be sold to another private owner it would not be in their financial interest to retain the properties at affordable rents. It is likely that the houses would be sold off. [REDACTED]

[REDACTED] Alternatively they could be rented at market rents of around £685 per calendar month. This is out of the reach of many local people on low incomes. It is also well above the local housing allowance which is £555.49 per calendar month.

Most of the current tenants are at risk of eviction. A private company would be able to evict those holding assured shorthold properties and resell the houses on the open market. Bradwell has a very low turn over of affordable homes with an average of one three bedroomed home becoming available each year. (See attach 1c - Housing need survey report) If evicted, the tenants would therefore have to move out of their village. Currently as stated by Isabel Cogings of DDDC (attach 1a) the only available homes in Derbyshire Dales would be in Darley Dale.

[REDACTED]

It could be argued that the houses were originally provided by the private sector as they were built in the 1950s to house workers in the engineering factory close by. The factory has now been demolished, its main operations moved to Rotherham. The private sector no longer sees its role to providing homes for its workers.

The alternative to the rescue of the homes would be to develop 12 homes in Bradwell. The planning strictures of developing in a National Park make this a difficult and lengthy task. In PDRHA's experience a scheme of affordable homes will take at least 5 years to complete. Building new homes would also be more costly than the costs for saving these homes. Recent experience is that the provision of an affordable home will cost in the region of £190,000

Once purchased and managed by PDRHA tenants will be offered more secure tenancies.

The funding will also cover the refurbishment of the properties to bring them up to PDRHA's lettable standard.

Without these homes Bradwell's local industry and community will suffer. While these homes are no longer tied to local industry, the occupations of the tenants are testament to the on going requirement for a local labour force. Four of the households have workers in local extraction and stone industries. It is therefore important that the homes remain affordable for these workers. Equally it is important that those who work in the community facilities such as the school and care homes have affordable homes.

The SCR funding will make the Homes England contribution completely effective, as the purchase and repair will be possible with only Homes England funding the project would not be viable.

£[REDACTED] per unit the level of funding requested from Homes England is believed to be at the maximum level they will award.

## 2.4 – Please provide details of what activities SCR funds will specifically be used to pay for.

Between [REDACTED] of the contribution is required towards the purchase of the houses the precise figure is dependent on Homes England contribution.

# SCR Housing Fund: Strategic Business Case

This amount will be made up of between [REDACTED] purchase of the buildings and £[REDACTED] is required for the refurbishment of the properties.

The works required as identified by our stock survey (Appendix 2) are;

item	number	cost	total
Replacement windows & external doors	7	[REDACTED]	[REDACTED]
Replacement Kitchens	4	[REDACTED]	[REDACTED]
Replacement boilers and heating systems	4	[REDACTED]	[REDACTED]
Pointing to gable wall	12	[REDACTED]	[REDACTED]
Electrical checks	12	[REDACTED]	[REDACTED]
Investigations /contingency	12	[REDACTED]	[REDACTED]
		<b>TOTAL</b>	[REDACTED]

## 2.5 – The starting point in relation to any investment/ intervention supported via this route is that some form of financial return will be required. Please provide a summary of how this will be achieved.

A ground rent will be paid to Bradwell Community Land Trust for each property. The level of this is to be negotiated but it is likely to be in the region of £1800 per annum. This will give the new organisation some basic resources for administration etc. The organisation aspires to play an active role in providing affordable homes in the village. This will be partly realised when they take on the affordable units to be supplied as part of a large development in Bradwell over the next our years.

There will be no sales returns as the affordable homes safeguarded will not be available for sale. The rents collected will support the loan borrowed by PDRHA. This will be repaid over 25 years following this, the rental income will support the provision of further affordable housing.

25 years is the maximum period over which loan funding is available to PDRHA. When this loan is repaid any surplus made on the income from renting these homes will be invested by PDRHA to provide more affordable homes in the villages and communities of the Peak District. Bradwell CLT will continue to receive ground rent and will also continue to look for opportunity to provide homes and facilities for its community.

The project is preventing the costs of the potential homelessness of the current tenants.

The financial contributions from Homes England and Derbyshire Dales District Council are minimising the contribution from the regional fund.

## 3 - STRATEGIC CASE

### 3.1 – Which of SCR's strategic growth area(s) is the scheme in or close to (as set out in the SCR Integrated Infrastructure Plan Spatial Packages)?

The scheme is not in one of the strategic growth areas. It is closest to Sheffield City Centre and to the A61 corridor.

### 3.2 - How does the scheme contribute to the wider economic growth ambitions of SCR as set out in the SCR Strategic Economic Plan?

The scheme safeguards housing which is a key part of the economic infrastructure in this rural village. The houses ensure that economically active people on low to average incomes are able to afford to live in the village and work in local industries such as tourism, the aggregates factories and local fluorspar mines.

SCR recognises the importance of the Peak Park area and its tourist and leisure opportunities. Such resources rely on a local workforce, but earnings are typically low while housing costs in the private sector are high. This scheme will contribute to maintenance of a local labour supply.

### **3.3 - Is the scheme compliant with statutory plans and processes (e.g. Local Authority planning policy and economic/ housing growth strategies, transport needs, provision of education)?**

Yes

The housing authority for the scheme is Derbyshire Dales District Council, here the stated number one priority for the Council is the provision of affordable homes. As it is an area of high house prices and a shortage of rented homes the Council's strategy is to promote and protect affordable housing in anyway it can.

The planning authority for the scheme is the Peak District National Park. As a national park the authority has first to protect and enhance the natural environment. There is a general presumption against housing development but the Park recognises the importance of providing and protecting affordable homes in order to preserve and enhance the vitality of its villages.

The provision of affordable homes in Bradwell is also key to maintaining families in the community. These families then support local schools and services, ensuring that schools and other services remain viable.

### **3.4 - Is the scheme dependent upon any other project or investment? Please highlight any links and potential risks to scheme delivery**

No, the scheme is not linked to any other project which risks this development. The potential risks lie with the willingness of the current owner to sell the units and with the other funders to back the scheme.

### **3.5 – Will this scheme deliver or test any innovative methods or approaches?**

This is an innovative scheme as tied homes have not been rescued in this way previously. PDRHA's collaboration with Bradwell Community Land Trust is a new approach to providing and protecting affordable homes in a rural village. This is very much a 'Community Led' approach with the active engagement of the CLT and the ground rent providing some seed money for this organisation.

## 4 - COMMERCIAL CASE

### 4.1 – Does the scheme address the objectively assessed need for housing in the local areas as identified by the Local Planning Authority? Indicate the evidence that you have to support this.

Yes

Two supporting letters from Derbyshire Dales DC are attached. The attachment 1 a concentrates on the particular need to acquire the 12 houses in order to safeguard the present tenants' homes. This points out the consequences of a private sale of the properties and the threat of eviction to the tenants.

The attachment 1b explains more fully the housing needs of the village and its area. This is based on

- The housing need survey of Bradwell carried out by the Rural Housing Enabler
- Current data from Home-Options which is the local housing register or waiting list.
- Data on recent bids for properties

The housing need survey report of 2014 is attached as attachment 1c. While the report concludes that there is a requirement for twelve homes in the village it should be pointed out that there are 47 households in need. For the purpose of proving the need to justify a planning consent the National Park insists that need should be discounted to between 25% and 33% of the need stated. This discount is stringent and not required by other planning authorities. The twelve homes recommended in the report are therefore the minimum number which should be provided for Bradwell.

This report does not take into account the 12 x new properties expected as part of the Newburgh development. The first four of these units will not be ready until the spring of 2020 with the other 8 not completed for another few years. These will all be two bedroomed units and will therefore accommodate smaller families than the 12 houses which are the subject of this bid. The need survey and bid information is based on the current situation in Bradwell and does not take into account this potential sale. If the 12 houses for which we are bidding were to be sold and tenants evicted they would add to the need in the village.

#### Home Options Bidding data

This shows the number of bids placed on three bedroomed properties in the last 6 months via the Home Options system. This is the means by which homes are allocated. In order to register to make bids applicants have to show that they have a local connection, need housing as set by Derbyshire Dales criteria and require a three bedroomed house.

The number of bids demonstrates the number of households which would require a three bedroomed house and have a housing need. It is also notable that there has only been one such house becoming available in Bradwell in the last 6 months and only 6 in the wider area,

These various sources of data therefore show the pressing and on going need for affordable homes in Bradwell and its surrounding area.



## 4.2 – Provide evidence of demand for the type and tenure of housing proposed?

The scheme comprises of 12 three bedroomed 5 person houses for rent.

All but one are currently occupied. The houses are an important part of the stock of affordable homes in Bradwell available for local people on low to moderate incomes. If made homeless the current tenants would have great difficulty in accessing similar homes. Officers at Derbyshire Dales DC, the local housing authority have confirmed that on average only one such home comes available each year in Bradwell. This is shown in the housing need survey report on page 6. Here is shown an analysis of the turnover of affordable homes in Bradwell. It is stated that in the previous five-year period only 3 3 bedroomed homes belonging to Dales Housing were re-let and there were two re-let in the previous three and a half years belonging to Northern Counties. This shows that there were five relets in five years.

Attached are two statements, a housing need survey report from Derbyshire Dales, the local housing authority as well as Home Options bidding data. Attachments 1a,1b,1c, & 1d. Derbyshire Dales as housing authority demonstrate their support and analysis of the need for this scheme in their two letters. As explained above the housing need survey shows that there were 47 households in need of housing in 2014, the recommendation to provide 12 homes is the minimum number.

The 2011 census data for Bradwell shows that 17% of the housing stock in the parish is subsidised or affordable (attachment 1e)

The bidding data from Home Options shows that the opportunities to apply for a three bedroomed home are rare – only one house in Bradwell in the last six months and only 6 in the wider area. Demand for these properties is high with the number of bids varying between. This demonstrates that demand is out stripping supply by a large margin.

One of the homes has become unoccupied as the tenant left, the current owner has decided not to re-let this property prior to the sale. This unit will be refurbished once bought and re-let.

## 4.3 – Does the proportion of affordable housing delivered through this scheme meet the requirements of the Local Authority? Will support from this source make the provision of affordable housing more likely?

Yes, 100% of the housing being funded will be affordable in perpetuity. The Peak District National Park as planning authority does not have a stated affordable housing proportion in its planning policies. As there is a presumption against any development in this special area policies require that any housing provided will be affordable homes for local people. Support from this source will enable this supply of these affordable homes rather than make it more likely.

## 4.4 – What quality standards will the new housing development adhere to?

The homes will be brought up to PDRHAs Lettable standard. This is set out in the appended document. Attachment 3 It is based on the social housing industry standard of decent homes.

The stock condition survey sets out the works which are required over the next 40 years. All works required immediately or with the next five years are included in this application. Other works will be incorporated in PDRHA's long term planned maintenance which will be covered by rental income.

## 4.5 - If this scheme comprises a procurement process, provide an overview of this.

As a condition of Homes England funding, the homes will be initially purchased by emh Group (a Homes England ‘investment partner’ and large housing provider). They will then be the subject of a 120 year lease agreement with PDRHA. The lease premium will equate to the purchase price of the homes less grants received, The freehold of the properties will be transferred to Bradwell Community Land Trust at a nominal value. It is envisaged that these transactions will occur on a back to back basis over one day or possibly two.

In terms of the works required to the properties, the scheme will not require a procurement process for its individual delivery. Contractors already appointed by PDRHA will be used.

PDRHA works in partnership with other housing associations serviced by Midlands Rural Housing to procure services for maintenance. This is the basis of the selection of our day to day maintenance contractor who is appointed on a ‘schedule of rates’ basis. Increasing the volume of work by partnering gives an improved offer to contractors. This contract is re-tendered every three years. The contractors in place, PJ Lilley will carry out the noted items and recommended investigatory work.

For items such as window and door replacement, boiler replacements and electrical testing PDRHA works with the emh group and their tendering process for such works. This gives PDRHA the advantage of better value as the volume of work across this very large stock (circa xxx units) is more attractive to contractors. Tendering for these works is carried out every three years.

## 4.6 – How will you ensure the scheme is delivered on budget?

The acquisition cost of the houses has been agreed with the current owner and confirmed as value by an independent valuer. Attachment 4 Valuation Report. The cost of refurbishment has been calculated following a full stock condition survey of the houses. Costs for the programme of works is based on known costs for similar work and will be agreed prior to works commencing.

Fees for consultants have been agreed.

The Stock Condition report is attached as well as schedule of works  
Costs will be monitored but the likelihood of a large cost overrun is very low.

## 5 - ECONOMIC CASE

### 5.1 - PREFERRED OPTION ANALYSIS

**Outline the options that have been considered for this scheme, e.g. do nothing, smaller or larger scale scheme, preferred scheme. Provide the rationale for the selected and rejected options.**

Business as Usual (No SCR investment)	The lack of funding would result in the houses being sold to a private owner rather than to PDHRA/BCLT. The tenants would face eviction.
Alternative 1 (Smaller SCR investment)	A smaller number of the available homes could be purchased but the owner has made it known he would not then sell to PDRHA/BCLT Less refurbishment work could be carried out but this would result

# SCR Housing Fund: Strategic Business Case

	in several tenants living in substandard homes
Alternative 2	With 12 houses on offer it is difficult to see how the project could be expanded unless other properties are purchased from the open market at much higher prices.
Preferred Scheme	The 12 houses are purchased and works are commissioned to bring them all up to PDRHA lettable standard. The families all enjoy a more secure tenancy.

# SCR Housing Fund: Strategic Business Case

## 5.2 – PREFERRED SCHEME: OUTPUTS / OUTCOMES

Indicate the outputs, outcomes and benefits that this scheme will deliver in total (add in additional lines if required).

Where relevant to the proposed scheme, information on each of the deliverables detailed below must be provided. Please add additional categories and information as required.

Deliverables	Total for Scheme (All years)
<b>Direct Outputs</b>	
Hectares of land acquired/ purchased	
Hectares of contaminated land reclaimed	
Total number of housing units...	12
...Of which the following number are affordable units	12
Total construction jobs supported...	
... of which the following number are apprenticeships	
... of which the following number are targeted at those previously not in employment	

### *Housing Type, Tenure and Mix*

<i>House Type and Size (e.g. house, x bed, y person)</i>	<i>House Tenure (e.g. open market sale, shared ownership, affordable rent, private rented sector/ market rent)</i>	<i>Number of Units</i>
houses, 3 bed, 5 person	affordable rent	12

Deliverables	Total for Scheme (All years)
<b>Direct Outcomes</b>	
Contribution to annual local housing target (%)	
Contribution to annual local affordable housing target (%) <i>(The figure given relates to the target figure for affordable homes within Derbyshire Dales DC)</i>	24%
Contribution to annual SCR housing target (%)	0.0017%

## 5.3 - POTENTIAL DIS-BENEFITS

Indicate any potential dis-benefits of the scheme and any assessment to be undertaken as the scheme develops to quantify such dis-benefits. (i.e. environmental impacts)

A dis-benefit could be to the other potential private purchaser of the homes who will be denied the opportunity.

# SCR Housing Fund: Strategic Business Case

## 6 - FINANCIAL CASE

### 6.1 – COSTS

Please indicate the total cost of the scheme against the following categories.

Where relevant to the proposed scheme, information on each of the costs detailed below must be provided. Please add additional categories and information where required.

Cost Category	£ Total	£ SCR
Site Investigation		
Site Acquisition	██████████	██████████
Site Remediation		
Works Costs	██████████	██████████
Professional Services/ Fees	██████████	
Contingency	██████████	
Other Costs (please specify)		
<b>Total</b> <i>[please ensure this agrees with 1.4]</i>	██████████	██████████
Degree of certainty to cost estimates	30% (early estimate of costs based on schemes of a similar nature) 60% (Scheme designed and initial cost estimated based on specific requirements / details of this project). 75% (Scheme designed in details and costs reviewed by appropriate independent assessor) 90% 95% (Procurement complete and costs based on tender prices)	

### 6.2 - Scheme Funding Summary Table

*[Confirmation of other and private funding status will be required prior to contracting. The Capital costs for all years should equal the costs identified 1.4]*

Funding Source <i>[Add additional columns if multiple funds from same organisation]</i>	SCR Funding Sought		Other Public		Other European <i>[Specify the actual funding stream]</i>		Private <i>[Specify the actual funding stream]</i>		Total £'000	
	Cap	Rev	Cap	Rev	Cap	Rev	Cap	Rev	Cap	Rev
Funding Status <i>1 confirmed in writing 2 applied for 3 to be determined 4 conditions apply</i>			██████████				2			
Financial Year 1 2019/20	██████████		██████████				██████████		██████████	

# SCR Housing Fund: Strategic Business Case

Financial Year 2									
Financial Year 3									
Financial Year 4									
Financial Year 5									
Financial Year 6									
Financial Year 7									
Financial Year 8									
Financial Year 9									
Financial Year 10									
<b>Total</b>									

**6.3 - Once completed, will the scheme incur revenue costs beyond the SCR investment which will need to be met by the public sector?**

**NO**

Once completed the scheme will be financially sustainable in that the rental income will cover the cost incurred in managing and maintaining the houses as well as covering repayment of the loan in place. There will be no on-going revenue requirement for public funds.

**6.4 – Please outline any additional work required to firm up project costs/ funding and when this work is likely to be completed.**

Works listed are to be agreed with our contractors. This can be done within the three months following acquisition. As a contingency amount has been included in the total cost of works the costs and funding requirement are unlikely to change.

**6.5 – Please indicate the type of funding (and if appropriate funding type proportions) required from the SCR.**

*[please enter the amount (£) in the appropriate box/boxes below, the total amount of funding should equal the figure stated in section 1.4 D Total SCR Funding Sought]*

Grant Funds	Loan Funds	Other – please specify
<div style="background-color: black; width: 100px; height: 15px; margin-bottom: 5px;"></div> to be agreed with Homes England	nil	

**6.6 – Where any element of funding is to be recovered/ recycled to the SCR please provide further details of how and when the funding will be returned.**

It is not envisaged that funds will be returned

## 7 - MANAGEMENT CASE

### 7.1 – DELIVERY / IMPLEMENTATION PLAN / PROGRAMME

*Where relevant to the proposed scheme, information on each of the milestones detailed below must be provided. Please add additional categories and information where required. Please note, all statutory processes and approvals should be detailed.*

*Provide your anticipated timetable for delivery including the key headline milestones you anticipate. Ensure timescales are realistic and that adequate time has been allowed to secure statutory approvals, match funding, planning permission, internal approvals etc. Highlight any key dependencies against each milestone where applicable.*

Key Milestones	Any Dependencies	Date
Land Acquired	Homes England bid Conveyancing / Legal work	July 19
Submit Planning Application	Not applicable	
Obtain Planning Approval	Not applicable	
Project out to Tender	Not applicable	
Tender Returns	Not applicable	
Tender Award	Not applicable	
Start on Site <i>[as stated in 1.3]</i>		August 19
Project Completion <i>[as stated in 1.3]</i>		December 19
Others (please specify)		

### 7.2a - STATE AID

**Does State Aid apply to this scheme?**

Yes	No
✓	

*[Details regarding State Aid can be found at: <https://www.gov.uk/guidance/state-aid>. Scheme Promoters are recommended to obtain their own legal advice on the subject of State Aid]*

### 7.2b - If Yes, please indicate the amount of state aid that will be provided and under what scheme.

Advice on this has been sought from our solicitor, it is likely that it will apply but the de minimis rules will apply.

### 7.2c - If No, please provide an explanation as to why no State Aid is provided for this scheme making specific reference to the State Aid tests.

# SCR Housing Fund: Strategic Business Case

## 7.3 - RISK MANAGEMENT

What are the key risks that are likely to affect the implementation of this scheme and what measures are planned to mitigate these risks (include any risks identified in 3.5)?

<b>Risk</b> <i>[State the risk and identify both its probability and impact on a scale of high-medium-low]</i>	<b>Mitigation</b> <i>[State how you will mitigate the risk]</i>	<b>Owner</b> <i>[State who is responsible for mitigating this risk]</i>
Owner reneges on agreement to sell Low risk High impact	complete purchase as quickly as possible. communicate clearly on stages reached in the interim.	PDRHA/BCLT
Grant funders do not contribute Medium risk High impact	reach agreement with all funders asap	PDRHA/BCLT/DDDC
Cost of repairs exceeds estimates Low risk Medium impact	Costs are based on current rates.	PDRHA
4.		
5.		

## 7.4 - STAKEHOLDER AND DELIVERY PARTNER MANAGEMENT

Please provide a list of key stakeholders for this project, as well as an indication of what communication has taken place with them to date and what is planned for the future should the project proceed.

### Homes England

The possibility has been thoroughly discussed with the Manager of the Community Housing Fund. Funding is available from this new fund a bid has been encouraged and submitted. The Manager has discussed the scheme and the possibility of funding with officers at SCR and indicated a willingness to agree a split of the gap funding required.

The scheme will be used in future as an example of the possibilities of community led housing and partnership working.

### EMH Group.

As partners to PDRHA for the acquisition of the houses and the draw down of grant, EMH group have scrutinised the proposals. They have approved the progression of the scheme. PDRHA has an on-going close relationship with this organisation.

Once the properties have been acquired and the lease with PDRHA signed and the freehold passed to Bradwell CLT, there will be no further emh group involvement in this particular scheme.

### Derbyshire Dales District Council

PDRHA and Bradwell CLT have very close relationships with DDDC. The possibility of this purchase has been discussed between the three organisations over several years, culminating in the approach to Hope Valley Residential by Bradwell CLT early this year. DDDC officers have supported the bid. Their statement of support and on the housing need is **attachment 1**. DDDC support in terms of a £ [REDACTED] financial contribution demonstrates their whole hearted commitment to the scheme.

In the future PDRHA and BCLT will continue to work with DDDC, particularly a local lettings policy will



# SCR Housing Fund: Strategic Business Case

be written to guide the allocation of the houses when relet. Allocations will use DDDC 'Home Options' system for allocating.

## Bradwell Community Land Trust

The CLT was set up following the adoption of the Bradwell Neighbourhood plan. The trustees were intent on receiving the 12 affordable units which are to be supplied as part of a development of 55 homes on the site of the former Newburgh engineering works. They have agreed terms on these with Camstead, the developers.

Following several meetings over the last 2 years they have agreed that PDRHA will manage these homes for them.

When they realised the possibility and imperative of buying the houses on Springfield Road and Bradwell Head Road they turned to PDRHA as their preferred registered provider.

The two organisations have therefore forged a close bond of trust.

This scheme will formalise the relationship with BCLT as freeholder and PDRHA as leaseholder. Terms of the lease have been discussed and agreed.

A letter of support from Bradwell CLT is attached **attachment 6**

## Bradwell Parish Council

The parish council is concerned for the future of the houses and their tenants. They have written to support the bid from PDRHA **attachment 6**

## Tenants

PDRHA has been in contact with each tenant and all but one, who was unavailable, has been visited by PDRHA officers. The visit gave the tenants an introduction to the association, the way it works and its motivation for the purchase of the homes. All welcomed the plan as they could see their tenure would become more secure.

In future the tenants will enjoy the usual rights and responsibilities of PDRHA tenants. Where appropriate they will be transferred to lifetime tenancy agreements rather than the assured shorthold tenancies they hold.

## **7.5 – RESOURCE, CAPACITY AND EXPERTISE**

**Please confirm whether the applicant organisation currently has the resources/ expertise and structures in place to deliver and manage the scheme? If not, please outline what would need to be undertaken to be 'delivery ready' and when this will be achieved.**

## Development

It can be confirmed that PDRHA has the resources and expertise to deliver and manage the scheme. The organisation is delivery ready. The initial negotiations and purchase will be overseen by the Area Manager, Alison Clamp. She has a 25 year track record of developing housing schemes in the Peak District National Park. This has included working with Community groups and Parish Councils, negotiating land and property purchases and ensuring schemes come to fruition.

emh group will act as development agent and aid by accessing the grant from Homes England. As a large housing association they will bring their expertise to the project.

Since it was established in 1989, PDRHA has built 29 schemes in and around the National Park. A further two are on site. Examples of schemes where PDRHA has bought land and properties and then developed are attached – Hannah Bowman Way, Youlgrave and Newfield End barn and cottage, Warslow. Stoney Middleton is an example of acquiring properties from a developer. **Attachment 5.**

## Refurbishment and Maintenance

PDRHA maintains its current stock of 270 homes procuring services in partnership with others to ensure value for money. Works to the houses in Bradwell will be undertaken by contractors under the supervision of PDRHA's maintenance surveyors and their manager.

# SCR Housing Fund: Strategic Business Case

## Tenant Management

Close liaison will be established with the current residents by PDRHA's housing staff. PDRHA specialises in developing and managing homes in Peak District villages, it has earned a good reputation for its sensitive management of such schemes.

As well as managing the schemes it has built the association manages properties for other providers, such as New Street Flats in Bakewell which are managed for the Guinness group – example attached **Attachment 5**.

# SCR Housing Fund: Strategic Business Case

## 8 – PREPARING FOR THE NEXT STAGE

If this project is successful at the Expression of Interest stage, we will work with you to collect a range of information relevant to the scheme type and stage. This will be used to undertake further internal assessment, and where necessary seek independent advice, in order to develop a more detailed business case/ report which can then be considered by the appropriate decision making Board.

Set out below is an indication of the type of information you will be required to provide should your scheme progress to the next stage. Please indicate which of the following information you currently hold and would be willing to share with us subject to a future request.

Type of information required	<i>[Indicate 'yes', 'no' or 'not relevant' for each element]</i>
Scheme Development Appraisal	yes
Relevant Statutory and Internal Approvals	yes
Detailed Cost Plan	yes
Project Delivery Plan	yes
Project Risk Register	yes
State Aid Statement	yes
Independent Valuation Reports	yes
Company Accounts	yes

## Document Sign Off

### 9 – DECLARATION AND SIGN OFF

*On signing the Strategic Business Case (SBC) the applicant agrees to the following:*

- 1. The Sheffield City Region (SCR) Mayoral Combined Authority (MCA) is a public body and is therefore subject to information/transparency laws and the Local Government Transparency Code 2015. This SBC will be shared with the appropriate SCR Boards including the MCA and Local Enterprise Partnership (LEP). In line with legislation, papers to the MCA and LEP meetings are published in advance and made publicly available. These papers will detail the applicant and summarise the SBC in sufficient detail to allow the members to take an informed decision. At this point, under Local Government access to information provisions, the SBC may have to be made available for inspection to any member of the public who requests it.*

*Once a scheme is admitted onto our programme, in line with SCR's Assurance and Accountability Framework and Freedom of Information Act (FOI) Publication Scheme, the SBC must be published on the applicant's and the SCR website.*

*For this purpose, you may wish to also send a redacted copy stating any exemption or exception applied under FOI or Environmental Information Regulations. We will consider any requested redaction. Any comments received after publication are required to be reflected in the OBC and FBC if the scheme progresses further. SCR will require evidence of this through the assurance process.*

- 2. LGF support is not allocated unless and until a Full Business Case has been approved and a Grant Funding Agreement has been executed by both parties. Acceptance of this SBC does not in any way signify that LGF support has been approved towards it.*
- 3. To the best of your knowledge all the information provided in this SBC is true and correct. You acknowledge that the information provided will inform any future contract should a decision be made to support the scheme.*
- 4. You will comply with due diligence requirements appropriate to this scheme. This will be conducted by the SCR Executive Team and further details will be provided if the scheme progresses further.*

#### Person responsible for the application (Chief Executive or relevant Executive Director in your organisation)

Name:

Role:

Date:

# SCR Housing Fund: Strategic Business Case

Counter signatory – Director of Finance	
Name:	
Role:	
Date:	

For SCR Use Only	
Scheme Reference Number:	
Date Received/ Accepted:	
Version Number:	
Summary of Amendments: (if applicable)	