

Eden District Council

Cabinet

24 May 2022

**Patterdale Parish Community Land Trust – Application to
Community Housing Fund**

Portfolio:	Housing and Health Portfolio
Report from:	Assistant Director Communities
Wards:	Ullswater Ward
OPEN PUBLIC ITEM	

1 Purpose

- 1.1 The purpose of this report is to present an application to the Community Housing Fund from the Patterdale Parish Community Land Trust for additional funding of £395,000 to mitigate rising construction and labour costs and to upgrade the proposed properties to Passivhaus standards.

2 Recommendation

It is recommended that the application be supported and approved.

3 Report Details

- 3.1 The Council's Community Housing Fund (CHF) aims to support community-led housing schemes in the district.
- 3.2 The Patterdale Parish Community Land Trust (CLT) was originally allocated funding from the CHF (at Council's Executive Committee of 4 Sept 2018 item TES 45/18), which supported the proposals for affordable housing in Glenridding.
- 3.3 Grant funding has to date covered the costs of conducting a Parish Housing Needs Survey; which Eden District Council carried out on behalf of the CLT. The Survey achieved a strong response rate, and provided a detailed evidence base confirming affordable housing need in the Parish.
- 3.4 A further grant related to costs associated with group incorporation, legal costs and community housing enabler support.
- 3.5 The CLT is partnering with Eden Housing Association to develop affordable housing in Glenridding. The scheme will provide 10 dwellings, comprising 2 x 2 bedroom bungalows, 1 x 3 bedroom house, 5 x 2 bedroom houses and 2 x 1 bedroom flats.
- 3.6 The site has now been purchased from the Lake District National Park Authority and planning permission was approved for development on 3 November 2021. The CLT will grant a long lease (likely to be 125 years) to Eden Housing Association. Eden Housing Association will develop and manage the housing under an agreement with the CLT, ensuring that the scheme remains 'community-led' and available for local people.

3.7 Further to recent discussions with the CLT regarding progress of the scheme it has become clear that the estimated build costs have risen, and will continue to rise due to increased building and material costs. Moreover, there is a desire to upgrade the properties to be as energy efficient as possible (in line with Eden District Council's ambition to reduce the Council's carbon footprint to zero by 2030). This will 'future proof' the properties as they will not have to be retrofitted, and will reduce fuel poverty by making them much more affordable for the tenants.

3.8 As a result, a request has been made by the CLT for additional funding from the Councils Community Housing Fund due to increased building (material and labour) costs associated with the Covid pandemic, costs associated with upgrading the properties to meet Passivhaus standards and increased legal/technical expenses associated with pre-site purchase, such as a drainage survey.

* Passivhaus is a performance-based set of design criteria for very low energy buildings, which can help create buildings which typically use around 90% less energy than standard UK buildings.

3.9 The proposed additional estimated costs, which can be funded within the existing CHF budget, can be summarised as follows:

Total estimated additional costs to Patterdale CLT	
Estimated extra building/labour/legal costs	£200,000.00
Estimated cost to upgrade to Passivhaus standards	£195,000.00
Total estimated additional costs	£395,000.00

3.10 The increase in costs can be evidenced by analysis of the BCIS General Building Cost Index, provided by the Royal Institute of Chartered Surveyors. This indicates a rise of 10.2% in September (2021) compared to the same period one year previously. The BCIS Materials Cost Index represents the largest contribution to this increase, with the overall cost of materials in the index rising approximately 19.7% during this period (this data is for the period 2021/2022).

3.11 In addition, the Government's own data shows that the cost of construction materials, such as steel, timber and concrete for all types of work, rose by 23% last year. The increase is roughly equal to the rise that was seen across the previous 12 years in total.

3.12 Whilst the planned buildings already have provision for air source heat pumps and significant insulation, possible options to deliver greater environmental sustainability include solar panels at an additional cost of £40 - 60,000. This would deliver greater sustainability than the present already high specification.

3.13 The use of Structural Insulated Panels SIPs are being carefully considered in the planned development. They can add around 2% to the cost of a development but can add to the longer term sustainability of buildings, and reduce the running costs for the occupiers.

3.14 Estimates provided for moving to full Passivhaus standard could add between 8% (£80,000) and 15% (£195,000) to the planned construction costs.

4 Policy Framework

4.1 The Council has four corporate priorities which are:

- Sustainable;
- Healthy, Safe and Secure;
- Connected; and
- Creative

4.2 This report meets the Sustainable and Healthy, Safe and Secure corporate priorities as it supports the creation of safe, secure affordable homes in an area of need, and upgrades the properties to the highest carbon neutral standard. This will reduce carbon emissions, 'future proof' them to ensure the properties are cheaper to run, and hence alleviating fuel poverty.

5 Consultation

5.1 The Community Land Trust have consulted their local community (e.g. an open day held on 25 May 2021 and regular newsletters). These have been well received garnering a great deal of support from the local community. The Portfolio Holder for Housing and Health has been consulted on this proposal.

6 Implications

6.1 Financial and Resources

- 6.1.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2015-19 as agreed at Council on 17 September 2015.
- 6.1.2 The proposals within this report fit in within the criteria of the Community Housing Fund and the General Reserve Fund – Summary of Spending Plans approved by Executive on 4th September 2018.
- 6.1.3 The Community Housing Fund is external grant funding awarded to the Council by central Government in July 2017. The fund is ring fenced for the delivery of Community Housing projects.
- 6.1.4 The Council will only be invoiced for actual costs incurred up to the agreed amount in section 3.9. Provision can be made within the existing CHF budget to support the scheme up to this level.

6.2 Legal

6.2.1 Legal advice was provided by the Council's Locum Solicitor regarding the Trust's proposal to contract with Eden Housing Association directly for the work detailed within the application. The solicitor confirmed that this is a viable option.

6.3 Human Resources

6.3.1 There are no Human Resources implications arising from this report.

6.4 Environmental

6.4.1 These properties will be upgraded to Passivhaus standards ensuring they will be properly insulated and efficiently heated via an air source heat pump. This will improve the energy rating, reduce carbon emissions and 'future proof' the properties so they do not need to be retro-fitted in the future. In light of the

increase in energy prices these properties will be more fuel efficient which will make them cheaper to run and help to alleviate fuel poverty.

6.5 Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	No implications
Health, Social Environmental and Economic Impact	A Community-Led Housing scheme delivered by the Community Land Trust has the potential to have positive health, social, environmental and economic impacts for persons within the Ward
Crime and Disorder	No implications
Children and Safeguarding	No implications

6.6 Risk Management

Risk	Consequence	Controls Required
That the project cannot progress due to lack of funding due to increased building costs.	The project stalls and the site is no longer financially viable. The Community Land Trust are unable to develop much needed affordable housing.	Homes England have been informally consulted on the scheme throughout the project to date and remain keen to provide financial support.
Opportunity missed to upgrade properties to Passivhaus standards.	In order to achieve net zero by 2050 these homes will have to be retrofitted at considerable expense and disruption.	Use the CHF monies available to 'future proof' these properties and reduce fuel poverty by ensuring they are energy efficient and cheaper to run/heat.

7 Other Options Considered

7.1 No other options have been considered at this time.

8 Reasons for the Recommendation

8.1 Approval of the application is recommended because the application meets the requirements and aims of the Community Housing Fund, and provides much needed affordable housing in Glenridding.

Tracking Information

Governance Check	Date Considered
Chief Finance Officer (or Deputy)	26 April 2022
Monitoring Officer (or Deputy)	26 April 2022
Relevant Assistant Director	05 May 2022

Background Papers:

Contact Officer: Louise Jeffery, Housing Services Manager