



**Prosperous Communities
Committee**

Tuesday 23rd April 2024

Subject: Gainsborough Housing and Support Project update

Report by:

Director of Planning, Regeneration &
Communities

Contact Officer:

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Purpose / Summary:

To provide an update on the Gainsborough
Housing and Support project being delivered in
partnership with P3.

RECOMMENDATION(S):

1. Members note the successes of the project so far.
2. Members are asked for their continued support with the project to ensure it can have an impact in the longer term.
3. Members task officers to explore opportunities for future funding for extension of the project and provide an update to this committee within 12 months.

IMPLICATIONS

Legal:

A Grant Funding Agreement was signed by WLDC and P3 in March 2021. This report looks to ensure the requirements of that agreement have been met.

(N.B.) Where there are legal implications the report MUST be seen by the MO

Financial : FIN/4/25/CPR/SST

No financial implications resulting from this report.

The previous report which was agreed by the concurrent meeting of CP&R and Prosperous Communities on Thursday 16th July 2020 agreed the grant funding and transfer of assets to P3 to enable the project with the mitigating action of a Grant Funding Agreement being in place to mitigate any future financial risk. The Grant funding agreement for the project was signed on 31st March 2021. The Fin Ref for this report was FIN/42/21/TJB.

(N.B.) All committee reports MUST have a Fin Ref

Staffing :

None

(N.B.) Where there are staffing implications the report MUST have a HR Ref

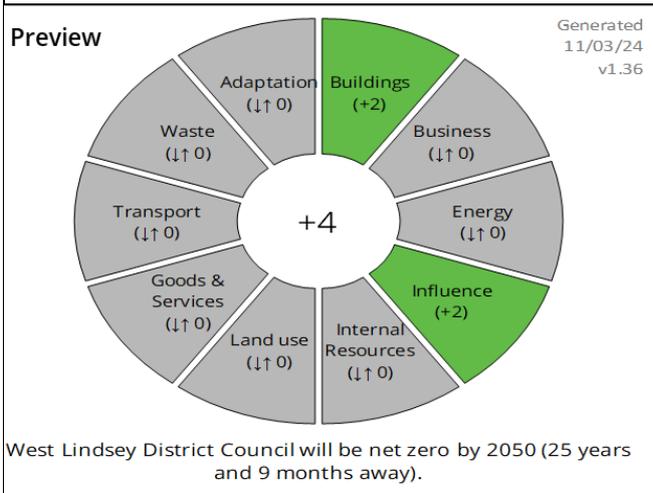
Equality and Diversity including Human Rights :

This solution has been driven to tackle poor quality private rented homes in Gainsborough and specifically in the South-West Ward.

Data Protection Implications:

Information Sharing Agreements are in place for the project and the majority of the project is covered by our privacy notice for Housing register applications.

Climate Related Risks and Opportunities:



Homes with low environmental standards will be refurbished as part of this project to include improved insulation and thermal performance as well as ensuring all properties meet the decent homes standard.

P3 will work with its tenants to ensure that issues such as early presentation of waste and recycling are tackled through being an active landlord within the area. This will also lead to a knock-on impact of influence for the wider community in these areas alongside P3 actively being engaged with the community through project.

Section 17 Crime and Disorder Considerations:

This is a key initiative in tackling anti-social behaviour and the perception of crime.

Health Implications:

Access to safe, suitable housing which is affordable will have a positive impact on the health and wellbeing of residents as a wider determinant of health and will contribute to delivery of the Lincolnshire Districts Health and Wellbeing Strategy

Title and Location of any Background Papers used in the preparation of this report:

Risk Assessment :

N/A

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1. **Executive Summary**

- 1.1 In 2020, WLDC and P3 entered into a partnership to deliver a viable housing solution for Gainsborough. This was named the Gainsborough Housing and Support project.
- 1.2 The vision for the project was “To improve the lives of and the opportunities for the people in the South-West Ward of Gainsborough through the provision of affordable, quality, sustainable housing”
- 1.3 The project set out to deliver circa 100 properties focussing on the South West Ward of Gainsborough within a 5-10 year period and disrupt the private rented sector in that area which makes up almost 50% of the housing with the ward.
- 1.4 The project was designed to rejuvenate the housing stock and the environment across the South-West Ward of Gainsborough and deliver on a number of key areas of social return which included:
 - Safe, affordable and quality housing
 - A safer place to live
 - Community stability
 - A lifetime tenancy for the people of Gainsborough
- 1.5 Almost 3 years into the project, this report details the progress and success of the project so far and evidences through in depth evaluation those successes. WLDC partnered with Red Quadrant to undertake the evaluation of the project so far against its proposed outcomes.
- 1.6 P3 currently have 64 properties as part of this project and within those acquisitions have brought 18 empty properties back into use. They have also levered over £2m of external investment into the South-West Ward of Gainsborough.
- 1.7 There has been a number of challenges and barriers to delivery which have had to be overcome and a number of market conditions which have impacted on how the project was set out to be delivered. These have included:
 - Increasing costs of property in the South-West Ward.
 - Increased costs and duration of refurbishment work.
 - Level of work required as part of refurbishments.
 - Difficulty in purchasing empty properties.
 - More properties being purchased with sitting tenants.
- 1.8 These barriers have impacted on how the project has been undertaken but it has not had an impact on the overall success of the project to date.
- 1.9 P3 have paused on property purchases for 12 months to allow for room to grow into the expanding project and look at opportunities for further investment and development.
- 1.10 The evaluation was able to look in both a quantitative and qualitative way at the project and has led to recommendations for West Lindsey to continue to expand and evolve the project to meet the needs of the wider community.

2. Background

- 2.1 It was identified by West Lindsey District Council that there was a need to invest in housing within the South-West Ward of Gainsborough due to considerable issues around quality of housing, empty properties, absent landlords and social inequalities.
- 2.2 In 2020, WLDC and P3 entered into a partnership to deliver a viable housing solution for Gainsborough. This project is now known as the Gainsborough Housing and Support project.
- 2.3 The vision for the project was “To improve the lives of, and the opportunities for, the people in the South-West Ward of Gainsborough through the provision of affordable, quality, sustainable housing”
- 2.4 The project was designed to rejuvenate the housing stock and the environment across the South-West Ward of Gainsborough and deliver on a number of key areas of social return which included:
 - Safe, affordable and quality housing
 - A safer place to live
 - Community stability
 - A lifetime tenancy for the people of Gainsborough
- 2.5 In March 2021, WLDC and P3 entered into a Grant Funding Agreement which saw West Lindsey transfer P3 12 properties valued at £550,00 (at the time of transfer) alongside £1m in capital investment to support the future acquisition of properties under the project giving a total WLDC investment of £1,550,000.
- 2.6 Alongside this investment from WLDC, P3 have also secured £2.2m in investment capital from Social and Sustainable Capital (SASC.) This gives a total project financial investment of £3,750,000.
- 2.7 P3 were required to purchase a minimum of 20 properties within the first two years of the project and secure additional investment to ensure the project could achieve its objective of delivering 100 properties within a 10 year period.
- 2.8 Initially, the focus was to target empty properties within the area to bring them back into use.
- 2.9 Alongside that, it was designed to shift the housing stock from predominately private rented housing (around 50%) of the market, to a more mixed economy where social housing takes a more dominant position.
- 2.10 The full business plan for the project from 2020 can be found at appendix 1

3. Evaluation of project to date

- 3.1 Almost 3 years into the project, WLDC commissioned Red Quadrant to undertake an evaluation of the project so far against its proposed outcomes. The full evaluation can be found at appendix 2.
- 3.2 This review looked at evidencing the successes of what the project has achieved so far and looked to quantify those successes where possible and

then went on to set a baseline for measurement of future evaluation and evidence of the longer-term outcomes.

3.3 Three main areas were considered when evaluating the success and impact of the project, these were:

- Property acquisitions against the agreed business plan
- Tenant and community experience
- Project outputs as outlined within the business plan.

3.4 The evaluation used a mixture of qualitative and quantitative approaches to evidence the impact of P3's housing project to date. This included a desk review of the background documents to understand the context and evaluate current performance and then went on to undertake stakeholder engagement to recognise perspectives and experiences from all parties involved in the project.

3.5 The stakeholder engagement involved a wide range of partners from P3, WLDC members, WLDC officers, the voluntary sector and existing tenants of the project.

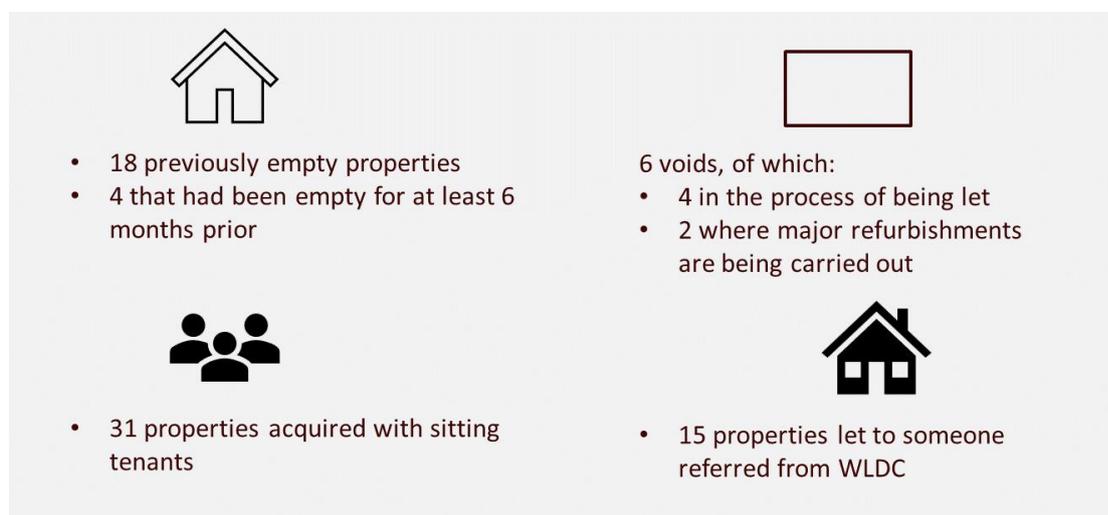
4. Property acquisitions

4.1 P3 proposed to purchase and refurbish c100 properties in Gainsborough over a 5–10-year period. P3 are on schedule to acquire their required property portfolio in the South-West ward. In addition to the twelve properties WLDC agreed to transfer. The funding agreement specified twenty properties were to be purchased in the first two years.

4.2 In Dec 2023 when the evaluation was undertaken, 2.5 years after the project began, P3 had acquired a total of 64 properties, including the twelve transferred from WLDC.

4.3 P3 worked with WLDC to identify and purchase empty properties. 18 previously empty properties have been acquired, with four properties that had been empty for six months or more.

4.4 The below diagram sets out data as of the end of December 2023 in relation to the profile of the properties.



- 4.5 There have been a number of challenges with the property purchases which were not foreseen when the project began. These include:
- 4.6 **Increasing costs of property in the South West Ward** - The housing market has seen an increase in property prices in the South West ward from £30-35k at the start of the project, to £75-80k now. This meant that P3's capital investment did not stretch as far as they had initially anticipated. This was combined with a competitive purchasing market with some other investors aggressively purchasing properties within the area.
- 4.7 **Increased cost and duration of refurbishment work** - As is the case across the market, there is tight availability of contractors and increasing costs of materials meaning that both the costs and the timeline for extensive refurbishments were and will continue to be higher than initially projected.
- 4.8 **Level of work needed in properties** - Some of the properties were in a much worse condition than P3 were expecting. This therefore impacted the investment required and extended the time some properties remained untenanted. This, combined with the point above, has resulted in higher void costs.
- 4.9 **Difficulty purchasing empty properties** - P3 worked with WLDC to identify and purchase empty properties. P3 found more difficulties acquiring empty properties than expected. Some problems were legal issues and in some cases a lack of information about current, absent owners of empty properties.
- 4.10 **More properties purchased with sitting tenants** - 31 properties were acquired with sitting tenants, many of whose properties were in a very poor state of repair. P3 purchasing their property has had some positive impacts on tenants, including providing more stability for them.
- 4.11 **Issues with sitting tenants** - A few of the sitting tenants were found to have high levels of support needs which have required intensive interventions from P3, which was not anticipated in the original design of the project. P3 has worked hard to signpost tenants to other support agencies and advocated on their behalf, in some cases this was successful but in others, support was not available or oversubscribed.
- 4.12 P3 have taken a decision to temporarily pause on purchase of properties. All additional funding secured from SASC for the project has been allocated and so additional funding will have to be sought to continue to deliver on the aim of the project.
- 4.13 This decision to pause has also been influenced by the large number of properties that have been purchased in a short period of time which will allow for P3 to adjust to the management of these and ensure tenancies can be sustained within the project.

5 Tenant, Stakeholder and Community experiences

Tenant experiences

5.1 Much of the feedback from tenants relates to the poor quality and upkeep of their properties before P3 became their landlord. 31 properties purchased as part of this project were acquired with sitting tenants.

5.2 Feedback that has been shared with P3 along with tenant engagement found the following experiences from the project so far:

- P3 is a more supportive and involved landlord than previous experiences.
- P3's staff are personable and get to know their tenants.
- P3 retains and/or refurbishes properties to a high standard.

5.3 There are a number of case studies and comments included within the full evaluation at appendix 2 but a selection of the comments included:

“Seriously, I know I didn’t make it easy, but I couldn’t have got myself my own place without your [P3’s] help”.

“It’s just amazing what they’ve actually done, they’ve [P3] actually supported us”.

“We do have money issues, but they [P3] help us to sort that out”.

“Life before P3 was miserable”.

Stakeholders experiences

5.4 Stakeholders highlighted several positive aspects of the P3 project which included:

- The quality of refurbishments
- Impact those refurbishments and the upkeep of the properties are having on the street scene.
- P3 as a landlord and their involvement with the community.
- The availability and approachability of P3 as a partner to other agencies.

5.5 P3's background in providing support to people with complex needs was highlighted by many stakeholders as being key to the success of this project so far. Whilst the focus of this project is on being a quality landlord, this wider understanding of support structures enables sensitivity and better signposting for the tenants.

- 5.6 **Street scene impact** - In their business plan, P3 committed to “*an examination of how street scene and open spaces can be improved.*” Stakeholders highlighted the impact of P3 refurbishments to properties and the overall street scene. For example, in streets where P3 have acquired several properties, the difference to the street is visible due to the refurbishment work P3 have carried out. This is then having an influence on other residents in those streets and the general upkeep of properties is seeing noticeable improvement.
- 5.7 **P3 landlord reputation** – Feedback from tenant evidences the significant positive impact P3 have had on many of their tenants’ lives. This will be working progress over time while tenants adapt to P3 involvement as a landlord and within the community. P3 having other supported projects within the town has caused some confusion with partners around what this project is offering tenants but more involvement and communication with the wider community as a whole is planned for the next phase of the project to embed this new way of working for P3.
- 5.8 **Community involvement** - A critical area raised by stakeholders was the need for the South-West ward voice to be developed and strengthened and partners see P3 as a key part of this. P3 are committed to being visible within the community and have a Service Development Officer who is active within the community “walkabouts”. This enables P3 to continue their working relationships with the local policing team, wellbeing services, community groups and statutory services which helps to address issues within the community.
- 5.9 **Using local contractors** - P3 always support local employment, for example for property refurbishments, whenever they can – they have developed their local contractor list which then supports more local businesses and employers.

6. Project outputs

- 6.1 The table below lists outputs in P3’s business plan and an assessment of whether the output has been met:

Output	Outcome	Output met
<p>The c110 homes will be let at affordable rent.</p> <p>The proposal is that 90% of the homes will be at around £95 per week. The other 10% will be let at an intensive housing management rate of around £250 per week</p>	<p>Affordable rent which undercuts private rental properties, leading to a disruption of the current unsustainable market</p>	<p>All property rents currently meet this output</p>

The properties will be let on an assured tenancy basis	By providing lifetime tenancies, tenants will have a more stable living arrangement that supports the delivery of other positive life outcome	Yes
The letting policy for the c110 homes will favour families and economically active couples	Establishment of a more stable community	Lettings policy agreed – amendment to original priority households agreed and affordability assessment undertaken
Refurbishment of properties to meet Decent Homes standards	Improved quality of housing stock	Yes
Appropriate management of the housing stock by P3	Loal management and support provided under appropriate social ethos	Yes
Retained revenue surplus will be reinvested locally	Increased investment in housing stock, sustainable tenancies and growth in social economy	N/A no revenue surplus yet. Staff posts funded as part of project

6.2 Detailed evidence of how the outputs have been met is included within the full evaluation document but a summary of how these outputs have been met is below.

Outputs

6.3 Stated output	Output met
The c110 homes will be let at affordable rent. The proposal is that 90% of the homes will be at around £95 per week. The other 10% will be let at an intensive housing management rate of around £250 per week.	All property rents currently meet this output

6.4 Analysis shows that P3 affordable rents meets the criteria for this output as:

- They do not exceed 80% of current market rents.
- They do not exceed average formula rents.
- They are within the LHA rates for the broad rental market area.

6.5 In their business plan, P3 proposed that 90% of the homes would be let at affordable rents and that the other 10% would be let at an intensive housing management rate. No P3 properties have been let for intensive housing management at this point. P3 plans to consider whether now is the right time to pursue offering intensive housing management to appropriate individuals in some of their properties and are working with WLDC on a criteria for this.

6.6 Stated output	Output met
The properties will be let on an assured tenancy basis	Yes

6.7 All tenants are given an assured shorthold tenancy with an initial term of 6 months. Once the initial term has ended, it becomes a periodic tenancy which rolls from month to month. The aim of this output is that more sustainable tenancies are built up, which can bring more stability and may lead to benefits such as greater community cohesion.

6.8 Tenancy sustainment was looked at when determining if this output was achieved which detailed:

- 31 of the 64 properties let by P3 have had tenancies longer than 6 months – of these, 8 tenancies began less than 6 months ago.
- Excluding these new tenancies and vacant properties, this means over 60% of tenancies have been extended past the initial 6 months.
- Where tenancies have ended, the reasons have been either:
 - moved to larger private rented property, or
 - moved out of the area for this project.
- No tenants have been evicted (end Dec 2023)

6.9 Stated output	Output met
The letting policy for the c110 homes will favour families and economically active couples	Lettings policy agreed – amendment to original priority households agreed and affordability assessment undertaken

6.10 When developing the lettings policy, this output was deemed to discriminate against non-economically active people and therefore an affordability assessment was included to ensure the affordability of the property no matter the source of income.

6.11 When the project was initially developed, it was expected that this project might attract a different cohort of tenants – e.g. people who would normally seek property in the privately rented sector rather than via Home Choices. However, since there have not been large numbers of properties available to be advertised at one time (in part because of the number of properties acquired with sitting tenants), in practice, P3 properties have mainly been allocated to people who are homeless, or at risk of homelessness. This was not seen by any stakeholder as a negative, merely different from what was expected on initiation.

6.12 An agreed prioritisation of allocations is detailed within the lettings policy and moving forward for future evaluation, it is suggested that different output measures for this are in place.

6.13 Stated output	Output met
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Refurbishment of properties to meet Decent Homes standards.	Yes
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6.14 All lettable properties meet the Decent Homes standard, with any void properties currently undergoing work to achieve this.

6.15 Stated output	Output met
Appropriate management of the housing stock by P3	Yes

6.16 The properties in the scheme are not regulated by the Regulator of Social Housing, as they are managed by the charity arm of P3. However, standards have been assessed against the basic standards all private landlords must adhere to and good practice guidance from the regulator where it is relevant and useful.

6.17 P3 have the policies and procedures in place required to manage this project. They are working on creating bespoke versions of policies for this project which will strengthen their approach.

6.18 Stated output	Output met
Retained revenue surplus will be reinvested locally	N/A no revenue surplus yet. Staff posts funded as part of project

6.19 Due to increased costs from property prices, financing and refurbishment costs, there has not yet been a revenue surplus. All rental income has been invested in staff posts based in Gainsborough working with tenants and the wider community, and improvements and refurbishments to the purchased properties. For P3, this project has a deficit.

6.20 The projected cost of the project is £5 million. Funding has come from a grant from WLDC and external investment from SASC to date. P3 outlines that any surplus will be reinvested locally and some ways in which they suggested this could be done were:

- To purchase further properties
- Improve local infrastructure,
- Invest in the local area.

6.21 As part of the evaluation, P3 committed that *“Where surplus arises, the local community will be consulted to generate ideas around improvements. We anticipate investment could take the form of creating or improving communal spaces, developing community hubs/buildings, or investing in infrastructure to bring in additional finance via grants and social investment.”*

7. Recommendations from review

- 7.1 As part of the evaluation project, Red Quadrant have made some recommendations regarding strengthening the project to deliver on some of the longer-term outputs alongside proposals for future monitoring and evaluations.
- 7.2 **Recommendation 1 – Further develop bespoke policies.**
This recommendation advised that as P3 have policies in place for their existing stock, with this being a unique project, it was vital to its success in the long term that bespoke policies for this scheme be devised.
- 7.3 **Recommendation 2 – Increase P3’s profile locally.**
P3 are already considering office space within the community, and they are committed to contributing to the wider community as a whole. This recommendation seeks to take the community on the journey of the project and ensure it is embedded and understood wider than just their tenants. This will also include additional engagement and investment in activities and opportunities for the community to get involved in the social regeneration of the area.
- 7.4 **Recommendation 3 – Consider more around prevention and/or additional support.**
Through engagement with P3 and WLDC Home Choices, it is clear there is a need to deliver the identified 10% of the properties with a supported option and are interested in exploring what more can be done with this. Alongside looking at other housing related issues that tenants may be facing to see if solutions can be found.
- 7.5 West Lindsey officers are going to continue to work with P3 considering these recommendations as part of the quarterly steering group meetings held with Senior Officers at P3.

8. Future monitoring

- 8.1 It was important to understand as part of the evaluation how success can be measured against some of the social aims of the project over a longer period of time.
- 8.2 An evaluation framework including some data points have been pulled together to start to think about measuring the wider impact of the project over time.
- 8.3 The P3 business plan cites the need for a “more complex evaluation framework to ensure that what we deliver has the impacts that we expected and that we can map these impacts effectively.”

8.4 WLDC and P3 have agreed a set of data points which presents a reasonable approach and enables realistic and reliable data for the project to measure successes. These are as follows:

Category	Data point	2023
Property acquisition	Numbers of properties acquired against date	64
	Numbers of properties acquired as sub-lets	9
	Number of properties gifted	12
	Number of empty properties acquired	18
	Number of properties purchased with sitting tenants	31
Quality landlord	Number of properties brought up to Decent homes standard (or number of hazards removed)	All refurbished properties to date
	Weekly rent by property size (In order to assess affordable rent)	within Evaluation
Tenancies	Local connections – the proportion of tenants with ‘local connections’ as defined in the Lettings Policy	Potential measure
	Number of referrals to other agencies for tenant support needs	Potential measure
	Proportion (or number) of properties receiving intensive management support	0% (0)
Tenancy sustainment	Length of all tenancies to date (average)	Potential measure
	Number of people under notice	7
	Number of people evicted (Dec 23)	0
Financial impact	Social value – expenditure to businesses in the South-West ward, Gainsborough, West Lindsey.	Potential measure
	Local spend to support project (in addition to property acquisition and refurbishment)	£252K
	Financial value of grants raised to support this project	Potential measure
Experiences	Positive case studies	Within evaluation
	Tenant perceptions – e.g. survey	Potential measure
	Community perceptions – e.g. survey	Potential measure

8.5 Alongside this, a much wider set of longer-term data points have been suggested and will be monitored over a longer period of time, revisiting once all properties have been purchased and have had time to impact on the area – this is suggested to be 10 years-time. This full set of measures can be found at appendix 3.

8.6 P3's project is only one part of the improvement work being carried out in the South-West ward. In addition, it should be noted that many of the difficulties experienced in the South-West ward are long-term, engrained problems. Change can only be expected gradually and through significant financial resources alongside collective commitments from partners across all sectors.

9. Future of the project

9.1 This project remains a key driver to delivery of the following objectives of the West Lindsey Corporate Plan 2023 - 2027:

Our people – Health and Wellbeing	Ensure Housing solutions provide choice and support independence
Our people – Communities and Vulnerable Groups	Improve Communities and transform places
	Reduce inequalities across the district and support identified communities at risk
Our Place – Quality Housing	Improve housing standards and take appropriate enforcement action where necessary
	A long-term plan for housing investment that maximises opportunities for affordable housing

9.2 Alongside the Corporate Plan, this project also supports delivery of the following adopted strategies and plans:

- West Lindsey Housing Strategy
- Lincolnshire Districts Health and Wellbeing Strategy
- Lincolnshire Homelessness and Rough Sleeping Strategy
- West Lindsey private Sector Housing position

9.3 To move this project forward, WLDC will continue to engage both strategically and operationally with P3 to explore the recommendations made as part of the evaluation and ensure the project continues to deliver on its agreed outputs.

9.4 As part of this engagement, officers propose to continue to work alongside P£ to explore funding mechanisms available to P3 as part of this project and partnership.

10. Recommendations

10.1 Members note the successes of the project so far.

10.2 Members are asked for their continued support with the project to ensure it can have an impact in the longer term.

10.3 Members task officers to explore opportunities for future funding for extension of the project and provide an update to this committee within 12 months.