

Subject: Community Housing Fund Policy

**Report to: Housing & Neighbourhoods Committee – 5th September 2019
Policy & Resources Committee – 10th September 2019**

Report by: Sue Bolan - Enabling & Empty Homes Officer

RECOMMENDATIONS

This report requests approval of the Community Housing Fund Policy and the use of the community housing fund monies to offer financial support to Community Led Housing Organisations through the provision of grants and loans in accordance with the Community Housing Fund Policy.

That delegated authority is given to Strategic Directors in consultation with the Section 151 Officer to approve the allocation of grants and loan to Community Led Housing Organisations.

That approval is given for the use of capital funding to purchase land to assist Community Led Housing Organisations as set out in the Community Housing Fund Policy subject to the approval of the use of capital funding by the appropriate committee.

1. INTRODUCTION

In December 2016 Great Yarmouth Borough Council received the first tranche of monies for the Community Housing Fund followed by a second tranche in January 2017, the two amounts totalled £652,770.

Part of the funding has been used to obtain support to develop Community Led Housing Organisations (CLHO) with £20,000 in set-up grants allocated to 4 Community Land Trusts.

2. COMMUNITY HOUSING FUND

There remains an ongoing commitment to support the deliver of community led housing initiatives, however, the remaining monies within the Community Housing Fund are not sufficient to develop an entire housing project nor would it be fair to select one site over others.

The Community Housing Fund Policy has been created to outline how the remaining fund should be spent to ensure a fair and transparent process is used to allocate the remaining funding to both existing and new organisations.

The fund would continue to offer the £5000 start-up grants to new CLHO's.

Alongside this, loans of up to £60,000 would be available to support progressing a site from feasibility stage to a planning application.

The policy includes an option for Great Yarmouth Borough Council to purchase a plot of land where the CLHO scheme will fail if the purchase does not take place in time. This option would only be considered following a formal valuation and where either a live planning permission exists, or it is reasonable to expect that planning would be granted on received pre-application advice.

An option to provide development loans is included within the policy and a further report on this will be brought back to committee for approval.

3. NEXT STEPS

Should approval be given to the policy, it will be communicated to the existing and any new CLHOs and advertised via the Community Housing Fund webpages.

The policy will be reviewed in 3 years.

4. FINANCIAL IMPLICATIONS

The remaining uncommitted funds total £568,000. No additional resources are required as a result of the adoption of the Community Housing Fund Policy.

The Community Housing Fund will continue to be used to fund the provision of support to CLHO to be established and bring forward community led housing schemes for a period of up to three years. This cost has been factored into the level of grants and loans which are available through the Community Housing Fund Policy.

Whilst the Community Housing Fund Policy may result in the Council acquiring land for a community led housing scheme, the cost of this purchase will be met from capital funding resources. In all cases, a request to the appropriate committee for the release of the required capital funding would be made in order to fund the purchase of the land. The cost of the purchase would be refunded when the land was sold to the CLHO or if the CLHO was unable to take forward the site, the site would be sold to a Registered Provider to recover the Council's costs and allow the site to be developed.

5. RISKS

Should the remaining fund be spent prior to repayment of the first loans, the loan option will be postponed until such time as funds become available through repayment of existing loans.

The provision of grants and loans will be subject to terms and conditions on the use of the monies provided. Where a loan is provided, a loan agreement will be completed between the recipient and the Council to ensure that there is clarity on the use of the monies and that in the unlikely event of monies not being used as intended, the Council will have the ability to seek repayment of such monies.

6. RECOMMENDATIONS

This report requests approval of the Community Housing Fund Policy and the use of the community housing fund monies to offer financial support to Community Led Housing Organisations through the provision of grants and loans in accordance with the Community Housing Fund Policy.

That delegated authority is given to Strategic Directors in consultation with the Section 151 Officer to approve the allocation of grants and loan to Community Led Housing Organisations.

That approval is given for the use of capital funding to purchase land to assist Community Led Housing Organisations as set out in the Community Housing Fund Policy subject to the approval of the use of capital funding by the appropriate committee

7. BACKGROUND PAPERS

A copy of the policy and appendices attached.

Area for consideration	Comment
Monitoring Officer Consultation:	Yes – ELT
Section 151 Officer Consultation:	Yes – ELT / CHF Group
Existing Council Policies:	Yes – Policy CS3 Local Plan (December 2015)
Financial Implications (including VAT and tax):	Yes
Legal Implications (including human rights):	Yes
Risk Implications:	Yes
Equality Issues/EQIA assessment:	No
Crime & Disorder:	No

Every Child Matters:	No
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GREAT YARMOUTH
BOROUGH COUNCIL

COMMUNITY HOUSING FUND POLICY

Document created	June 2019
Agreed by Housing & Neighbourhoods Committee	
Review date	February 2021

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1 BACKGROUND

In December 2016 GYBC received the first tranche of the Community Housing Fund followed by a second tranche in January 2017, the two amounts totalled £652,770.

The objectives of the Community Housing Fund are to:

- Increase housing supply in England by increasing the number of additional homes delivered by the community-led housing sector;
- Provide housing that is affordable at local income levels and remains so in perpetuity;
- Deliver a lasting legacy for the community-led housing sector in the form of an effective and financially self-sustaining body of expertise within the house building industry in England.

Part of the funding has been used to bring in specialist support to work with local communities to develop Community Led Housing Organisations (CLHO) and provide funding for the establishment of CLHOs.

2 PURPOSE OF POLICY

The purpose of this policy is to set out the council's approach to using the Community Housing Fund monies to assist the establishment of CLHOs and those CLHOs to bring forward sites to deliver affordable housing through the provision of grants and loans.

3 POLICY AIMS

The aim of this policy is to increase the number of CLHOs and the supply of additional affordable housing developed through CLHOs. The council will achieve this by:

- Providing 'start-up' funding to facilitate the creation of new CLHOs to be established across the borough
- Establishing clear criteria for how grant and loan funding to support CLHOs will be considered and awarded.

4 RELEVANT LEGISLATION

Co-operative and Communities Benefit Societies Act 2014
Housing Acts

5 APPLICATION REQUIREMENTS

The funds available are not sufficient to fund an entire development, nor would it be beneficial or fair to put the remaining funds into one project. Therefore, the fund will be allocated to activities which support the establishment of CLHO's and the preparation of planning applications and pre-development costs, which will allow funding to be provided to several projects.

Applications will be accepted from any Community Led Housing Organisation operating in the Great Yarmouth Borough Council area which is formally constituted as a Community Land Trust (CLT), co-operative or other form of community led housing structure.

The application process and the required documentation is detailed in the appendices.

Start Up Grant

A 'start up' grant of £5,000 is available for new Community Led Housing Organisations. This is for the CLHO set up costs, including legal fees and to assist in the development of an investment ready business plan. Only one application for this grant is permitted per group.

Expected items to be covered include but are not limited to (*indicative costs*):

- Legal Fees (£1250+VAT)
- Purchase of Model Rules (£325)
- Registration with Financial Conduct Authority (£250-£900)
- Public meetings preparation (room hire, presentation boards etc) (£500)
- Design of logo and promotion literature (£200)
- Website design and hosting (£500)
- Printing and distribution of promotional leaflets and posters (£250)
- Clerking (setting up a bank account, producing minutes, AGM duties) (£250)
- Newsletter production (£200)
- Membership of CLT or other co-housing network (trustee insurance, legal advice, lobbying representation, members website) (£325)

CLH Loan

Loans are available up to a maximum of £60,000 per application. CLHOs can make applications for more than one loan subject to the approval of the Community Housing Fund Group. The CLHO will be required to sign a loan agreement with Great Yarmouth Borough Council.

Eligible activities for the loan will include:

- Feasibility studies and business planning
- Surveys
- Architect fees
- Legal fees
- Project support
- Training specific to the trustees role
- Purchase an option
- And other activities the Community Housing Fund Group deem appropriate.

If planning permission is refused or the CLHO or a Registered Provider does not implement the scheme, the loan is lost and not repayable.

Loans will be administered in staged payments to avoid reclaiming any unspent monies should a scheme not proceed.

The loan term will be 5 years from the date of the agreement to lend. The loan would be repayable immediately if;

- no money is repaid with 28 days of the agreed due date.
- any enforcement notices are not complied with within 7 days.
- breach of the agreement
- insolvency

Loans will be subject to interest if the scheme is given planning consent and proceeds to build. Interest will be charged at 3.6% annually from the date of planning consent.

The Borough Council reserves the right to reclaim funds where the obligations of the agreement are not met, this may include court action where appropriate.

Land Purchase

This option makes use of the Borough Council's own funds and is outside the Community Housing Fund budget.

Purchasing land will be considered on an exceptional basis only where the CLHO is established and will lose the optimum site if it is not purchased quickly and the CLHO will not be able to proceed unless the Council purchases the land.

The Council will consider purchasing the site following a formal valuation where planning permission has been granted or it is reasonable to expect that it will be based

on received pre-application enquiry. The CLHO will have a formal right of first refusal to purchase the land at the same cost and will reimburse the Council's purchase costs.

Development Loan

This option makes use of the Borough Council's own funds and is outside the Community Housing Fund budget.

Development loans will be considered where the CLHO is established and funding is required to support development.

Loans would be available on commercial rates of interest and would be repaid within 5 years.

Financing would be secured against the land.

6 DELEGATED DECISIONS

In order for this policy to be effective delegated authority has been given to key officers within the Council to authorise expenditure:

- For all types of application the Community Housing Group will assess each application received against the criteria in Appendix A to be able to make a recommendation.
- If agreed, the recommendation will be made to provide funding including details on amount of funding and type (grant or loan).
- Delegated authority has been given to Strategic Directors in consultation with the Section 151 Officer to approve allocation of funds.
- Applications for land purchases will be reviewed by Executive Leadership Team and will then require committee approval.
 - Housing and Neighbourhoods Committee if purchase is over £50K.
 - Policy and Resources Committee if purchase is over £100K.

7 MONITORING AND REVIEW OF THE POLICY

The policy will be monitored and be subject to review within 3 years.

1 APPLICATION DETAILS

Applications are welcomed for the Community Housing Fund available from Great Yarmouth Borough Council.

Applications will be assessed on a first come first served basis at the discretion of Great Yarmouth Borough Council Community Housing Fund Group and funding is available until fully committed. Decisions on applications will be made in accordance with the Community Housing Fund policy and this document.

As loans are repaid further applications will be accepted. The availability of funding will be advertised on the Great Yarmouth Borough Council website.

Applications will be accepted from any newly created Community Land Trust (CLT) and any other Community Led Housing Projects operating in the Great Yarmouth Borough. Or in the case of the start-up grant, a group wishing to establish a Community Land Trust or other form of Community Led Housing Organisation (CLHO).

Funding for successful applications will be provided as grants or loans or in exceptional cases the Council will purchase land on behalf of a Community Led Housing Organisation as outlined in the Community Housing Fund Policy.

2 USE OF FUNDING

Please refer to the Community Housing Fund Policy for details of the relevant funding streams and eligible uses.

3 APPLICATION REQUIREMENTS

All applicants are required to read and understand the terms and conditions for the relevant funding stream and to submit the information requested in the relevant application form. Further supporting information can be attached to any of the applications.

4 ASSESSMENT CRITERIA

All applications will be assessed against several criteria including;

Local housing needs (in relation to applications for a loan)
Strategic fit
Value for money

Local Housing Needs

The scheme must meet the local housing needs as demonstrated in a housing needs survey for the area of the borough in which the development is planned.

A scheme meeting the different sizes, tenures and affordability identified will be more likely to receive a favourable decision.

Strategic Fit

In order to ensure that the schemes supported by the Fund are genuinely community-led, applications will be assessed on the level of community engagement and support.

Applications which can show higher levels of community support will be more likely to receive funding than a similar proposal with little evidence of support.

Where the request for funding is to pay for a housing needs survey to be carried out, your submission should include details of how community engagement will be carried out.

We expect close collaboration with the community to help ensure important additional benefits in respect of the quality of design, innovative construction technologies, tenures and approaches to financing can be realised as part of the scheme.

5 TIMETABLE

The Community Housing Fund is open for applications from 1st May 2019.

Applications will be assessed by officers of the Community Housing Fund Group and then taken to Strategic Directors and where applicable the relevant committee for final approval.

It is anticipated the process should take up to 8 weeks, subject to requests for additional information and timing of the next available committee if applicable.

6 CONTRACT AGREEMENT

Successful applicants will be required to enter into a legally binding agreement with Great Yarmouth Borough Council where a grant or loan is provided.

Successful applicants will be required to submit a statement confirming that the grant / loan funding has been used in accordance with the terms of the funding agreement and provide evidence as requested of how the monies have been received. It is therefore recommended that all recipients keep records of expenditure.

Where a request to purchase land is agreed, the CLT or other community housing group will enter into an option agreement with the Council providing first right of refusal to purchase the land from the Council (or for their appointed Registered Provider to purchase the land) within 2 years of the decision to purchase the land being made.

Eligibility

1. Applicants must be based in the Great Yarmouth Borough Council administrative area.
2. Applicants must be working towards a community-led housing scheme as defined by the following three key principles:
 - i. The community is integrally involved throughout the process in key decisions for example what is provided, where, and for who. The conversation doesn't have to have been initiated by the community nor build the homes themselves
 - ii. The community group will take a long term formal role in the ownership, stewardship or management of the homes.
 - iii. The benefits of the scheme to the local area and/or specified community group are clearly defined and legally protected in perpetuity.
3. Applicants must be working towards a scheme which prioritises the delivery of permanently affordable housing. Schemes which are delivering other assets in addition may be considered on a scheme by scheme basis.

Eligible Activities

4. The grant payment of £5000 is for start-up costs as defined in the Community Housing Fund Policy.

Communication

5. In order to apply for a grant, groups must have had an initial meeting with the Council's Community Led Housing Consultant as they are retained to support the development of community led housing groups.
6. Any groups awarded funding are expected to maintain a line of communication with the Council's consultant and the Enabling and Empty Homes Officer at Great Yarmouth Borough Council.

Inappropriate use of funds

7. If the group would like to use the grant for anything outside of the prescribed activities defined in the Community Housing Fund Policy they must first contact Great Yarmouth Borough Council for written consent. The group may be required to pay back any funds used inappropriately or not in accordance with these terms.
8. If the group decide not to pursue community-led housing they will be required to pay back any remaining grant so that it can be made available to other community-led housing organisations.

If you have any questions about whether your proposed activities will be eligible for our funding or how your group can implement funding please contact the Council's consultant or the Enabling and Empty Homes Officer at Great Yarmouth Borough Council.

Signed:

On behalf of [insert group]

On behalf of Great Yarmouth Borough Council

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.....
.....

.....
.....
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Community Housing Fund Application Form – Set Up Grant

The Community-led Housing Fund is available to communities and groups in Great Yarmouth Borough Council who have an interest in developing affordable housing for their local community. The grant of up to £5,000 will help groups to explore their ideas for community-led housing with the Council's Community Led Consultant to develop initial ideas into business plans.

Completing the Form

Please ensure that you have read and understood the Community Housing Fund Policy, Application Requirements and Terms and Conditions – Set Up Grant prior to completing this form.

When completing the form please give us as much information as possible and include any additional information to support the application.

Please return your completed application to the Enabling and Empty Homes Officer;

Email: susan.bolan@great-yarmouth-org.uk

Post: Room 3.2, Greyfriars House, Greyfriars Way, Great Yarmouth, Norfolk, NR30 2QE.

The Application Process

The Council's consultant can provide practical guidance on how to complete this form.

As detailed in the Community Housing Fund Policy, applications will be considered by the Community Housing Group at Great Yarmouth Borough Council and a recommendation made to Strategic Directors and Section 151 Officer for decision. The decision should take approximately 8 weeks subject to receiving the relevant information with the application.

Contact

To arrange a meeting with the Council's consultant or have an informal discussion about this application form please contact the Council's Enabling & Empty Homes Officer;

Telephone: 01493 846113

Email: susan.bolan@great-yarmouth.gov.uk

Community Housing Fund
Application Form – Set Up Grant



About your organisation:

Organisation name (if created):			
Name of contact:		Title:	
Position held:			
Correspondence address:			
		Postcode:	
Telephone:		Contact telephone:	
Email address:			
Does your organisation already have a bank account (delete as applicable)? <i>Note: if there is a bank account, please supply a copy of the latest statement</i>			Yes / No
If no bank account, is there another local organisation, such as a Parish or Town Council that could hold and administer the grants funds on your behalf? If so, please give details below:			
Organisation: _____			
Bank: _____			
Account No: _____ Sort Code: _____			
Signature of person responsible for set-up grant application:			
Print name:			Date:

By signing this form you are stating your agreement and understanding of the Community Housing Fund Policy, Application Requirements and Terms and Conditions – Set Up Grant.

Community Housing Fund
Application Form – Set Up Grant



In which area will your organisation be?	
What type of organisation are you creating? (e.g community land trust, co-operative, co-housing, development trust)	
How did you hear about the Community-Led Housing grant fund?	
<p>What is your vision for your organisation?</p> <p><i>The vision will explain the long-term changes that you expect to achieve through the work of your organisation. The type of community assets you want to create (e.g. houses, workspaces, open space etc), and the scale of your projects, i.e. how many properties you hope to build?</i></p> <p>DRAFT</p>	

Community Housing Fund
Application Form – Set Up Grant



Trustees

How many people are currently involved?	
Please list the names and give brief details of your working group. so far as it is established (e.g. 'local resident', 'Parish Councillor', 'Local Authority Representative', 'Housing Officer'):	
Why are you the right people to lead this project? (e.g skills)	
What skills are you missing and how will you acquire them?	
Do you have the support of other individuals or organisations? If so, please outline (e.g. 'local authority', 'parish council', 'regional CLT Umbrella')	

Eligibility

1. Applicants must be a legal entity established as a community led housing organisation and have had guidance and assistance from the Council's Community Led Housing Consultant.
2. Applicants must be working towards a community-led housing scheme as defined by the following three key principles:
 - i. The community is integrally involved throughout the process in key decisions for example what is provided, where, and for who. The community does not need to build the homes themselves
 - ii. The community group will take a long term formal role in the ownership, stewardship or management of the homes.
 - iii. The benefits of the scheme to the local area and/or specified community group are clearly defined and legally protected in perpetuity.
3. Applicants must be working towards a scheme which prioritises the delivery of permanently affordable housing. Schemes which are delivering other assets in addition may be considered on a scheme by scheme basis.

Eligible Activities

4. The loan amount (maximum £60,000) is for the feasibility and planning activities defined in the Community Housing Fund Policy.
5. The loan will be administered as defined in the Community Housing Fund Policy.
6. The loan is subject to an interest charge of 3.6% per year from the date planning permission is granted.

Communication

7. Any groups awarded funding are required to maintain a regular line of communication with the Council's consultant and the Enabling and Empty Homes Officer at Great Yarmouth Borough Council.

Inappropriate use of funds

8. If the group would like to use the grant for anything outside of the activities defined in the Community Housing Fund Policy they must first contact Great Yarmouth Borough Council for written consent. The group may be required to pay back any funds used inappropriately or not in accordance with these terms.

If you have any questions please contact the Council's consultant or the Enabling and Empty Homes Officer at Great Yarmouth Borough Council.



Community Housing Fund Application Form – Loan Funding

The Community-led Housing Fund is available to established community led housing organisations in Great Yarmouth Borough Council who have an interest in developing affordable housing for their local community. The loan of up to £60,000 is to assist established groups with the feasibility and business planning to bring forward a planning application.

Completing the Form

Please ensure that you have read and understood the Community Housing Fund Policy and Terms and Conditions – Loan Funding prior to completing this form.

When completing the form please give us as much information as possible and include any additional information to support the application.

Please return your completed application to the Enabling and Empty Homes Officer;

Email: susan.bolan@great-yarmouth-org.uk

Post: Room 3.2, Greyfriars House, Greyfriars Way, Great Yarmouth, Norfolk, NR30 2QE.

The Application Process

The Council's consultant can provide practical guidance on how to complete this form.

As detailed in the Community Housing Fund Policy, applications will be considered by the Community Housing Group at Great Yarmouth Borough Council and a recommendation made to Strategic Directors and Section 151 Officer for decision. The decision should take approximately 8 weeks subject to receiving the relevant information with the application.

Contact

To arrange a meeting with the Council's consultant or have an informal discussion about this application form please contact the Council's Enabling & Empty Homes Officer;

Telephone: 01493 846113

Email: susan.bolan@great-yarmouth.gov.uk

Community Housing Fund
Application Form – Loan Funding



About your organisation:

Organisation name:			
Registration Number:			
Name of contact:		Title:	
Position held:			
Organisation address:	Correspondence address (if different):		
Postcode:		Postcode:	
Telephone:		Contact telephone:	
Email address:			
Website:			
Bank Account details for payment;			
Bank Name: _____			
Account Number: _____ Sort Code: _____			
Signature:			
Print name:		Date:	

By signing this form you are stating your agreement and understanding of the Community Housing Fund Policy,
Application Requirements and Terms and Conditions – Loan Funding.

The Project

Please provide details of your proposal including where possible; What is to be built, number of homes, construction techniques, proposed tenure, who the landlord will be, how the community will benefit, who is expected to buy / rent the properties, details of community engagement. Please continue with additional pages if required.

DRAFT

Site Identified:	Yes / No	Location:	
Site secured:	Yes / No		
If No, how will the site be secured?			
Planning Status:		Class (if known):	
Type of housing to be provided:	General Needs / Specialist (Vulnerable / Older People) / Other		
Other:			
Do you have an allocations policy? (If yes, please provide a copy)	Yes / No		

Total Scheme Costs:	£		
Loan Required:	£		
Additional Funding:	£	Source:	
	£	Source:	
	£	Source:	

Please submit an indicative timescale for the expected draw down of the loan.

Please tell us anything else you would like us to know about your project:



Community Housing Fund Land Purchase Request

As part of the commitment to community-led housing, Great Yarmouth Borough Council has within the Community Housing Fund Policy the option to be able to purchase land on behalf of a Community Land Trust. This is using the council's own funds and is outside the Community Housing Fund budget.

This option will only be considered on an exceptional basis.

Completing the Form

Please ensure that you have read and understood the Community Housing Fund Policy prior to making your request.

When completing the form please give us as much information as possible and include any additional information in support.

Please return your completed form to the Enabling and Empty Homes Officer;

Email: susan.bolan@great-yarmouth-org.uk

Post: Room 3.2, Greyfriars House, Greyfriars Way, Great Yarmouth, Norfolk, NR30 2QE.

Process for Requests

In order to make a request for land purchase, groups must be established as a legal entity and have had guidance and assistance from the Council's Community Led Housing consultant.

As detailed in the Community Housing Fund Policy, requests will be considered by the Community Housing Group at Great Yarmouth Borough Council and a recommendation made to Strategic Directors and Section 151 Officer, following this the decision for purchase must be taken before the relevant committee. A timescale for decision will be given with the confirmation of receipt of the request, this is approximately 8 weeks but is subject to committee timetables.

Contact

To arrange a meeting with the Council's consultant or have an informal discussion please contact the Council's Enabling & Empty Homes Officer;

Telephone: 01493 846113

Email: susan.bolan@great-yarmouth.gov.uk

About your organisation:

Organisation name:			
Registration Number:			
Name of contact:		Title:	
Position held:			
Organisation address:	Correspondence address (if different):		
Postcode:		Postcode:	
Telephone:			
Email address:			
Website:			
Signature:			
Print name:	Date:		

The Site

Site Address:			
Planning Granted:	Yes / No	Planning Application No.	
If No, have pre – application discussions been held?	Yes / No		
Planning Officers Name:			
Summary of discussion:			

Community Housing Fund
Land Purchase Request



Current Owner:	
Contact Details:	
Telephone:	
Email:	
Marketing Value:	
When do you expect to be able to purchase the site from the Council?	

Development

If no planning application has been submitted, please provide details of the proposed development.			
No. of Homes		Proposed Tenure:	
Type of Home	General Needs / Specialist (Vulnerable / Older People) / Other		
Other:			
Landlord:			
Start on Site:		Completion Date:	
<p>Please tell us anything else you would like us to know about your project:</p>			