

Subject: Proposals for use of The Community Housing Fund

Report to: Housing & Neighbourhoods Committee – 2nd March 2017

Report by: Robert Read, Director of Housing & Neighbourhoods

SUBJECT MATTER/RECOMMENDATIONS

This report proposes a plan of action for using the Community Housing Fund awarded to the Council in December 2016. The recommendations are to:

- procure services to the equivalent of Gold Service support from CLT East at the cost of £35k, through a comparison of providers
- develop a costed plan for submission by 10th march based on building capacity within identified willing communities to bring forward housing development
- allocate the majority and maximum amount of funding to a ring-fenced capital pot to enable individual sites to come forward for development, based on a set of criteria to be developed.

2. INTRODUCTION/BACKGROUND

2.1. As part of the Government's 2016 Budget, a £60 million fund was announced to support 'community-led' housing developments in areas where the impact of second homes is particularly acute. On 23rd December 2016, Great Yarmouth BC was advised of an award from the Community Housing fund of £652,770 for 2016/17.

2.2. The funding is specifically intended for affordable housing schemes, either

delivered by or with the significant involvement of, local community groups on mixed tenure sites which are likely to be of little interest to mainstream housebuilders. This would therefore contribute to the overall national effort to boost housing supply and build collaboration, skills and supply chains at a local level to promote the sustainability of this approach to housebuilding. The fund will enable capital investment, technical support and revenue to be provided to make more schemes viable and significantly increase community groups' current delivery pipelines.

- 2.3. The funding will be made in two tranches, with the first payment of £326,385 having been already made. The second tranche of £326,385 will follow in March 2017 subject to the Borough Council being able to demonstrate to DCLG that the money is to be spent (or has been spent) in accordance with the objectives of the programme. This will need to be demonstrated by completion of a form that has been provided by 10th March 2017.
- 2.4. The Housing Minister has indicated that he sees Community Led Housing and Community Land Trusts as being a part of the Government's future housing strategy following the recent publication of the Housing White Paper – *Fixing our broken housing market*. We have been advised that there will potentially be allocations in 2017/18 but that this will, in part, depend in part on how the allocation for 2016/17 has been spent.

3. **Developing Proposals for the Community Housing Fund**

- 3.1. The Community Housing Fund provides revenue and capital funding. In addition, Community-led builders can access mainstream funding, such as the £3 billion Home Building Fund and money from the HCA's affordable housing programmes. Community-led groups can also bring in significant revenue and capital resources not accessible to other housing providers, including commercial lending, social finance, charitable funds, crowdfunding, community bond issues and labour. These cover seed-corn funding for new providers, and pre-development and development finance for schemes, as well as funds for associated aims such as skills training and community development.

3.2. Guidance received with the allocation defines 'Community-led housing' as being about local people playing a leading and lasting role in solving local housing problems, creating genuinely affordable homes and strong communities in ways that are difficult to achieve through mainstream housing.

3.3. **It identifies the benefits for local authorities as being:**

- mobilising public support for new homes and regeneration initiatives
- reducing reliance on public services, for example addressing social care through building communities with mutual support for the elderly and vulnerable, and involving homeless people in the renovation of homes
- providing a range of genuinely affordable housing in perpetuity, and homes for those priced out of ownership
- diversifying the local housebuilding market, and unlocking small sites and landowners that are not attractive or available to established housebuilders
- supporting the implementation of duties such providing permissioned plots for individuals and groups on the Self and Custom Build Registers
- promoting community cohesion and resilience that can help tackle issues like antisocial behaviour.

3.4. **It also identifies that Community-led housing approaches can bring benefits to participants, including:**

- skills, training and jobs, which can be targeted e.g. at care leavers and unemployed young people
- a rewarding collective experience, improving their sense of community and

connection

- high quality and imaginatively designed homes and neighbourhoods
- giving community organisations control over assets and revenue
- mutual support within communities, especially for older people and vulnerable young people.

3.5. The DCLG has appointed an alliance of community-led housing organisations to support Local Authorities and they have collectively endorsed the following definition to ensure that schemes are truly community-led:

- a requirement that the community must be integrally involved throughout the process in key decisions (what, where, for who). They don't necessarily have to initiate and manage the development process, or build the homes themselves, though some may do
- a presumption in favour of community groups that are taking a long term formal role in ownership, management or stewardship of the homes
- a requirement that the benefits to the local area and/or specified community must be clearly defined and legally protected in perpetuity.

3.6. **Approaches to community-led housing**

3.7. Community-led housing has a significant history accompanied by a range of distinctive terminology and practices. Communities can and do choose to combine approaches to meet their needs and aspirations, drawing on the principles of each approach as a component to achieve one of their aims.

3.8. The main aims that different approaches provide for are:

- **Stronger neighbourhoods, shared spaces, mutual support:** Co-housing principles can be used to achieve this. Households each have a self-contained home but residents come together to manage their community and share some facilities. Co-housing is increasingly becoming an attractive option for older people to create resilient mutual support, in both new developments and retrofit to sheltered housing, which can reduce their reliance on public services including social care.
- **Permanent affordability and local control of assets:** Community Land Trust principles offer a mechanism to provide genuinely affordable housing in perpetuity, both for rent and ownership. Low cost ownership homes can be designed to remain affordable even if the gap between local incomes and house prices widens.
- **Building neighbourhoods:** Group self-build and collective custom build are great ways of supporting groups of households to work together to build or directly commission their own homes. The emphasis is always on supporting one another through the process which not only creates strong communities, but also develops skills and delivers high quality housing.
- **Greater local accountability and control over housing management:** Co-operative and tenant management principles empower residents to democratically control and manage their homes, often leading to improved efficiencies and financial savings as well as increased skills and confidence within the community. Many housing cooperatives own their properties collectively which also offers opportunities to invest in wider socially beneficial activities.
- **Tackling empty properties:** Self-help housing offers people the chance to bring empty properties back into use, sometimes for their own use. It can be particularly effective in providing work experience and training to people from vulnerable backgrounds in a safe and supportive environment, and help to revitalise homes, streets and neighbourhoods. It can form part of a

strategy to tackle homelessness.

3.9. Routes to delivery

3.10. For the most part, the routes to delivery for community-led housing schemes are the same as in any other industry-standard housing scheme. The difference is that the community takes central role. Communities may work in partnership with a local housing association or developer, or can work on standalone projects. They can provide affordable housing through a section 106 agreement and/or a Rural Exception Site.

3.11. There are three main ways in which community-led groups become involved in the process:

- **Group-led:** New community-led groups form in response to local housing need, or to deliver their own homes. They sometimes emerge from existing networks such as Neighbourhood Forums and parish councils. They access technical expertise to support the development and realisation of their ideas.
- **Extension of community based activity:** Existing community-based organisations with local roots decide to provide housing in addition to their current activities, accessing technical expertise to help them understand this new area of work.
- **Developer-led partnership:** A Local Authority, landowner, housing association or local developer wants to provide housing that incorporates a community-led element. They access technical expertise to recruit 'founder members' from within the community and support them to take over ownership and/or management of the homes. In this scenario it is essential that all of the community-led criteria (see below) are met to ensure genuine community benefit and involvement.

3.12. Developing Proposals for Great Yarmouth

3.13. An initial assessment of options for using the funding came up with a number of suggestions:

- Follow up on from Neighbourhood Plan work to develop housing in rural communities – none yet formally submitted although work has commenced in Hemsby, Hopton and Rollesby.
- Bring forward struggling schemes for housing – Planning Policy are looking to identify any known sites - the Northgate Hospital site has been suggested as one option.
- Retrofitting sheltered housing schemes reducing reliance on public services including social care.
- Links to Town Centre masterplan – particularly in connection with flats above shops.
- Links to empty property work – to look at properties currently identified by Operational Property Enforcement Task Group and develop options for training and volunteering with an option to use as move-on accommodation from supported housing schemes with links to homelessness and unemployment.
- Speak to Registered Provider's regarding their assets and possible future development sites.

3.14. Since this initial meeting, we have met with the Community Land Trust East (CLT East) who are the Council's advisers appointed by Government. In addition to discussing the above options, all of which would have potential for developing eligible schemes, they also offered a range of direct support that they could offer. There are three levels of offer: Gold, Silver and Bronze (see

appendix A).

3.15. Fit with Strategic Priorities

- 3.16. Delivering new housing is a clear strategic priority for the Borough and the requirements of a five-year land supply will mean bringing forward sites across both urban and rural locations. CLT East have provided an example of work they have undertaken in rural locations in East Cambridgeshire where there is a pipeline of over 1000 properties based on the Community Land Trust model. Bringing forward rural sites for development will be particularly challenging and finding different ways of working with local communities and giving them greater control over development may be successful in bringing a greater number of sites forward more quickly.

3.17. Existing Capacity

- 3.18. There is currently a lack of capacity within both the Strategic Housing Team and the Strategic Planning team to develop this new way of working further without significant additional help. The impact of not putting forward a sufficiently robust plan or of not then delivering would be that future funding may not be forthcoming.

4. FINANCIAL IMPLICATIONS

- 4.1. The funding will be made in two tranches, with the first payment of £326,385 having been already made. The second tranche of £326,385 will follow in March 2017 subject to the Borough Council being able to demonstrate to DCLG that the money is to be spent (or has been spent) in accordance with the objectives of the programme. This will need to be demonstrated by completion of a form that has been provided by 10th March.
- 4.2. The money can be used for revenue or capital and there is no expectation that it will be 'match funded' by the Borough Council.

5. RISK IMPLICATIONS

- 5.1. Failure to produce a sufficiently robust plan will result in the Council not receiving the second tranche of funding. Failure to deliver on a plan may result in further funding not being awarded in future years.
- 5.2. Individual schemes will each need to be risk assessed separately.

6. CONCLUSIONS

- 6.1. The Community Housing Fund presents an opportunity to fund and develop community based approaches to housing delivery which would support a key strategic objective of the Council.
- 6.2. In particular it could enable rural and difficult to develop sites to come forward through significant involvement of local communities.
- 6.3. There is, however, little history and experience of this specialist area of community based housing development in the Borough and restricted capacity within teams to drive this agenda forward in a sustainable way. It would be therefore be advisable to use part of the allocation of funding (£35k) to procure expert support. As well as CLT East, the Government's official advisers for this area, other organisations have been in contact and the Council could hold a mini-competition for support. This would give the Council the best chance of developing a deliverable and sustainable long term plan which complies with the funding requirements.
- 6.4. The plan presented would also need to set aside targeted funding for developing capacity within identified, willing local communities. We are currently talking with CLT East about how much we should set aside for this element but have estimated that we would initially look to work with 8-10 communities. The remainder and the majority of the funding should be set aside as capital to support individual schemes as they come forward.

7. RECOMMENDATIONS

- To procure services to the equivalent of Gold Service support from CLT East at the cost of £35k, through comparison of providers
- To develop a costed plan for submission by 10th march based on building capacity within identified willing communities to bring forward housing development
- To allocate the majority and maximum amount of funding to a ring-fenced capital pot to enable individual sites to come forward for development, based on a set of criteria to be developed.

8. BACKGROUND PAPERS

8.1. Community Housing funding proposals from CLT East DCLG form for completion by 10th March 2017

Area for consideration	Comment
Monitoring Officer Consultation:	EMT.
Section 151 Officer Consultation:	EMT.
Existing Council Policies:	Corporate Plan.
Financial Implications:	Covered in report.
Legal Implications (including human rights):	Requirement to work to principles of Community Led Housing
Risk Implications:	Covered in report.
Equality Issues/EQIA assessment:	Expected to have a positive impact on the supply of affordable housing
Crime & Disorder:	As above.
Every Child Matters:	As above.

Community Housing Fund

Adviser Packages – CLT East

RONZE - £5,000 for one year's access

- Online portal – containing directory of services and key contacts, document library, learning materials and additional specialist knowledge and advice
- Dedicated telephone and email support

LVER - £10,000

- Online portal – containing directory of services and key contacts, document library, learning materials and additional specialist knowledge and advice. One year's access
- Dedicated telephone and email support. One year's access
- 2 x workshop/ introductory sessions delivered on-site to your whole team
- Additional workshops charged at £2000 per session

OLD – Kickstart package £35,000

- 3-6 month program
- Online portal – containing directory of services and key contacts, document library, learning materials and additional specialist knowledge and advice. One year's access
- Dedicated telephone and email support. One year's access
- 2 x workshop/ introductory sessions delivered on-site to your whole team
- Continuing 1:1 specialist support to map your sector, de-risk your project and deliver your plans
- Dedicated support for internal team from our base in Ely and your offices
- Maximum 50 day's support as part of a 3-6 month program

on-going support following Kickstart program costed separately according to need.

Costs of travel and reasonable disbursements are charged additionally at cost.

Online portal available from April 2017.

Contact Details

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Community Housing Fund - Summary of Spending Plans

* 1. What is the name of your Local Authority?

2. Intended use of the grant: Revenue support to groups

This could include any plans that your local authority has for providing grants to CLH groups for technical advice and seed-corn funding to establish themselves; further technical advice and professional fees to develop their plans; funding for existing organisations to provide advice and support to CLH groups in your local authority area.

3. Intended use of the grant: Capital

What plans do you have to make grants or loans available to community groups to deliver affordable units? Capital can be used to make mixed tenure schemes viable, and to increase the number of schemes within the delivery pipelines. If known, please indicate the number of additional homes that you expect the grants/loans will enable over the next 3-5 years.

4. Joint plans across your local area

What discussions, if any, has your local authority had with neighbouring authorities to pool part of the funds? This could include supporting an existing – or establishing a new – local enabling service, or providing a shared resource to support delivery (such as a revolving land purchase fund).

5. Advice obtained

In drawing up these plans, which CLH specialists or other stakeholders (e.g. housing partnerships, housing associations, other community associations) have your local authority engaged?

6. Existing local activity

Which CLH groups already exist in your local authority's area; which other community organisations might want to develop housing; and which other planned developments are you aware of that could become community-led?

7. Intended use of the Fund – developing your plans for the fund

What plans does your local authority have to use the grant to procure further advice or additional officer capacity?

8. Other plans

What other plans – not covered above – does your local authority have to deploy the grant funds in accordance with the aims of the programme? Plans could include use of your or others' financial or staff resources, or through your policies and asset management plans.

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