
Subject:	COMMUNITY HOUSING FUND
Meeting and Date:	Cabinet – 6 November 2017
Report of:	Mike Davis, Director of Finance, Housing and Community
Portfolio Holder:	Councillor James Back, Portfolio Holder for Built Environment
Decision Type:	Key
Classification:	Unrestricted

Purpose of the report: To enable the development of community-led housing projects

- Recommendation:** It is recommended that Cabinet:
- i) Approves use of the Community Housing Fund special revenue project, funded from the £508,829 allocated to the Council in the 2016/2017 financial year from the government's Community Housing Fund, to support community-led housing developments.
 - ii) Approves the establishment of a post on a two-year fixed term contract which will be responsible for developing the project.
 - iii) Gives delegated authority to the Head of Strategic Housing, in consultation with the Portfolio Holder for Built Environment, to approve individual projects and expenditure in line with government guidance.
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1. Summary

- 1.1 Towards the end of the 2016/17 financial year the Council received £508,829 funding from government to enable the delivery of 'community led' housing which will comprise affordable homes and therefore mitigate the impact of second home ownership.
- 1.2 The government has issued guidance on what the money is to be used for but this provides considerable flexibility. It is anticipated that further funding will be made available but subject to a demonstration that effective use has been made of the funding received to date.
- 1.3 There is not sufficient staff capacity within the strategic housing service to promote and develop the project and therefore it is recommended that some of the funding already received should be used to fund a new post on a 2 year fixed term contract. The post holder will report to the Head of Strategic Housing (HoSH), and it is also recommended that the HoSH should be authorised to approve expenditure from the remaining funding in consultation with the Cabinet Holder for Housing and Environment Services.

2. Introduction and Background

- 2.1 In 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. The fund is to enable local community groups to deliver affordable housing units. It is to be used to provide technical support, revenue funding and enable capital investment, to make more schemes viable.
- 2.2 The funding has been allocated between local authorities proportionate to the number of second homes in the area and taking account of the affordability of housing to local people.
- 2.3 The total allocation for DDC for 2016/17 was £508,829 and was received in 2 tranches with payment of the second tranche subject to completion of an on-line questionnaire giving indicative proposals as to how the council might use the money in line with stated government objectives. The questionnaire submitted is attached at Appendix 1.
- 2.4 Government advised that further allocations from 2017/18 onwards would be dependent on how the 2016/17 allocation had been spent. However, since the initial allocation there have been no further announcements regarding the fund.
- 2.5 One of the Council's key objectives is to maximise the supply of housing in the district and to provide a range of housing options which will help local people meet their housing needs and the funding provides an opportunity to help meet this objective.

Funding Criteria

- 2.6 It is important to note that funding has been made available to the Council to help communities take forward community-led development in their areas and not to act directly as a developer or indeed project manage individual developments. The role of the Council is primarily as an enabler.
- 2.7 The purpose of the Community Housing Fund is to enable and facilitate community led housing opportunities and the criteria of community led housing are:
 - That the community must be integrally involved in key decisions throughout the process;
 - Community groups play a long term role in ownership, management or stewardship of the homes;
 - Benefits to the local area and/or specified community must be clearly defined and legally protected in perpetuity.
- 2.8 The first year of funding is to build capacity within local groups, such as improving technical skills, setting up support hubs to offer advice, business planning and providing staff to help review local housing needs. The mechanism for future funding to deliver specific schemes isn't entirely clear at the moment but it is likely that it will involve some assessment and possible bidding process which will be overseen by Homes and Communities Agency.
- 2.9 There is considerable flexibility around how the funding could be used locally and examples of initiatives being explored by other Councils include:

- Development of a community housing hub to provide specialist technical advice across a number of local authority areas (Eastbourne BC).
- Recruitment of a joint New Initiative Development Officer to work across Eastbourne and Lewes districts (Eastbourne & Lewes DC).
- Investment in existing and emergent community land trusts to support housing needs surveys, training, community engagement and project management to develop partnerships with local housing providers (Herefordshire Council).
- Supporting parish councils with plans or ambition to develop local housing schemes and products. Support to be linked to the neighbourhood planning process and enable training, local co-production, housing needs surveys and other activity to enable schemes to be achieved (Herefordshire Council).
- Provision of revenue and capital funding for individuals or organisations undertaking or facilitating community-led affordable housing projects (Dorset).
- Fund a full time (two year temporary) post to promote and develop the CHF and initiatives to parish councils, parishes that have started a neighbourhood plan process and other communities with an interest in community led housing (New Forest DC)
- A Community Self Help project aimed at utilising 'hard to let' larger properties by converting them into shared accommodation for single under 35 year olds (West Oxfordshire DC).
- Up front capital funding to enable the acquisition and de-risking of sites or the covering of abnormal costs (Scarborough BC).

3 Potential DDC Initiatives

- 3.1 The Council needs to promote the scheme, identify and build capacity within the community and generally enable schemes to come forward that will meet government guidelines and attract funding. Currently, the housing enabling role is undertaken by the HoSH in addition to a range of other duties. In order for the project to be progressed it is recommended that a new post is established on a 2 year fixed term contract so that potential initiatives can be explored and developed. The post would be funded from the funding already received. It is also recommended that delegated authority is given to the Head of Strategic Housing acting in consultation with the Portfolio Holder for Built Environment, to approve appropriate individual projects and schemes so that the funding can be spent in a timely manner and in accordance with government guidelines.
- 3.2 Some initial thoughts about how the money could be used are set out below and a number of these were referred to in the DCLG questionnaire submission:
- Recruitment of a specialist post: A number of local authorities have identified the need for a specialist community housing enabler role either as a dedicated or joint resource and employed either directly or by a partner agency such as a Community Council. The role would be critical to the success of the project as it would be responsible for development of specific initiatives, capacity building and giving specialist advice to help bring projects forward. It is therefore proposed that DDC recruits a dedicated staff resource to undertake the project.

- Funding some internal costs where these are directly related to additional work associated with community led housing projects.
- Provision of grants/loans to community housing groups to help fund up-front costs eg specialist, professional advice needed to bring housing projects forward such as planning appraisals, financial feasibility appraisals, housing needs surveys etc. We have already been approached by a local Community Land Trust requesting financial support with the cost of consultation meetings and publicity/information material.
- Costs associated with setting up a district, or joint district, wide umbrella CLT to act as an information and specialist support hub for other CLTs and parish councils.
- Costs associated with leasing properties from local community groups, charities etc which could be used to provide housing for homeless households.

3.3 To enable the Council to be responsive and have the ability to quickly take advantage of opportunities as they arise, it is recommended that delegated authority is given to the HoSH acting in consultation with the Cabinet Holder for Housing and Environment Services, to approve expenditure and individual projects in line with current and future government guidance.

4 Identification of Options

4.1 Option 1: Not to approve the recommendations and to propose alternatives that should be considered in relation to how the funding may be used.

4.2 Option 2: To approve the recommendations so that a plan can be developed to enable the funding to be used to deliver housing projects which are in line with government guidance.

5 Evaluation of Options

5.1 It is important that we try to make rapid progress on developing plans for the appropriate use of the funding and be able to demonstrate delivery. This will be essential if we wish to try and secure further funding. Therefore Option 1 is the recommended option.

6 Resource Implications

6.1 The Community Housing Fund is additional funding over and above the council's own existing capital and revenue resources. As there is uncertainty as to the full amount of funding which will be made in future years and the Council's ability to successfully bid for such funding, it is recommended that a prudent approach is taken to the use of the fund. This would ensure that the Council does not commit or spend any money above the amount which is already held by the Council or for which formal notification has been received of a confirmed funding allocation.

6.2 The funding is included as a special revenue project in the MTFP. Any future funding from government would be added to the project accordingly.

6.3 The proposed new post would be subject to the usual job evaluation process but it is estimated that the cost of the post would be in the region of £40-50k per annum with the cost being met from the £508k funding that has already been received.

7 Corporate Implications

7.1 Comment from the Section 151 Officer: Finance have been consulted and have no further comments to add. (HL)

7.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.

7.3 Comment from the Equalities Officer: This report does not specifically highlight any equalities implications however, in discharging their responsibilities members are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>

7.4 Other Officers (as appropriate): None.

8 Appendices

Appendix 1 – Government Guidance

Appendix 2 – DDC questionnaire response

9 Background Papers

None.

Contact Officer: Paul Whitfield, Head of Strategic Housing