

Meeting	Cabinet
Meeting date:	9 March 2017
Title of report:	Community housing fund
Report by:	Cabinet member health and wellbeing

Classification

Open

Key decision

This is a key decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the county.

Notice has been served in accordance with Part 3, Section 10 (General Exception) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012.

Wards affected

Countywide

Purpose

To approve proposals for the use of funding provided under the Community-Led Housing Fund.

Recommendation(s)

THAT:

- (a) the proposals detailed at paragraph 9 of the report for the use of funding to a maximum of £503k from the Department of Communities and Local Government under the Community-Led Housing Fund be approved; and**

- (b) authority be delegated to the director for adults and wellbeing to allocate the available community-led housing funding to specific programmes, grants and initiatives in order to implement the proposals.**

Alternative options

- 1 The council does not submit proposals to use the funding. This would result potentially in half of the funding not being released by government and there being no agreed plan in place for utilising the funds already received. This option is not recommended as it would result in significant loss of opportunity to support community housing developments in Herefordshire on a significant scale, both in 2017 and in future years.
- 2 Considering other alternative proposals for submission to the Department of Communities and Local Government (DCLG). This option is not recommended as the proposals reflect the opportunities to support key local developments and potential for community-led housing and the capacity which will be required to support them. Furthermore, any delay to the council's submission is likely to lead to the loss of £251K of funding provisionally allocated by DCLG.

Reasons for recommendations

- 3 The provisional allocation of funding to Herefordshire under the Community-Led Housing Fund provides an opportunity to make significant investment in housing, which responds to the local needs of communities and promotes active participation in local decision making. The sum of £252k has already been transferred to the council by DCLG. Approval of the proposals will allow them to be submitted to DCLG, with the expectation that it will release the remaining £251K in initial funding.

Key considerations

- 4 In the 2016 budget, the chancellor announced that £60m would be used to help solve local housing problems, creating genuinely affordable homes and strong communities. This will include community-led housing developments in rural and coastal communities. The scheme is funded through the receipts from higher rates of Stamp Duty Land Tax on additional homes (i.e. second homes) which came into effect on 1 April 2016. Funding has been allocated in proportion to the number of second homes in each council area.
- 5 Herefordshire Council was notified in December 2016 of its allocation from the Community-Led Housing Fund. The first half of this funding was paid in early January 2017 and the remainder will be released to the council in March, subject to satisfactory evidence that the money is to be spent in accordance with the fund's objectives and guidance. The funding can be used either for capital or revenue spending and can be deployed through grants or contracts and on the council's own staffing and other costs. It is anticipated that DCLG will be committing further funding through this fund in future years to 2022; provided that councils demonstrate that they are using their initial funding effectively and appropriately.
- 6 The purpose of the fund is to enable local community groups to be directly involved in planning and delivering affordable housing in their neighbourhoods or villages. It is expected that developments will be of mixed tenure and on sites which are likely to be of little interest to mainstream housing developers. The fund will also help to build collaboration, skills and supply chains at a local level to promote the sustainability of this approach to house building. The fund will enable capital investment, technical support and revenue to be provided to make more schemes viable and significantly increase community groups' current expectations of actually securing local housing.
- 7 Community-led housing encompasses several different models of local participation

Further information on the subject of this report is available from
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and development, including;

- Community land trusts, where local people develop and manage housing and other community assets
- Co-housing, where people come together to develop and run housing for themselves, often using communal housing models
- Self build housing
- Self help housing which supports local people to make use of empty properties

Community-led housing can bring significant benefits to local residents and the council, including;

- Developing mutual support for elderly and vulnerable residents
- The delivery of ongoing truly affordable housing
- Enabling community participation in decision making, investment and the local environment
- Promoting community cohesion and resilience

8 Herefordshire has some experience of developing and delivering community-led housing. Two schemes have been delivered successfully with Marches Community Land Trust in the past three years and the council has been supporting and enabling self-build development on a small scale for some time. The two co-housing schemes locally were conceived some time ago and have now reached the planning stages, with mixed fortunes. Herefordshire's established culture of neighbourhood planning is recognised as an asset in delivering community-led housing, and one which is not always present in other council areas.

9 It is proposed that Herefordshire Council should use the initial funding available to build the capacity locally to develop and deliver community housing over the longer term. This would be done through addressing five main priorities in 2017:

- Investment in existing and emergent community land trusts (CLT); Marches CLT, Hereford CLT and other new and potential trusts. This investment would support housing needs surveys, training, community engagement and project management to develop partnerships with local housing providers.
- Investing in and/or supporting the Mandorla and Larkrise co-housing groups to review their development schemes and find the most appropriate and practicable means of realising their objectives.
- Investment in self build projects which will provide affordable housing.
- Identifying and supporting parish councils with plans or ambition to develop local housing schemes and products. Support will 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.
- Provision of increased housing development capacity within the council's adults and wellbeing directorate on a temporary basis to provide enabling support to community land trusts, co-housing schemes, parish councils and others. This will help ensure the viability of community-led housing initiatives through building capacity, implementing neighbourhood planning processes and brokering partnerships with housing developers and providers.

- 10 DCLG encourages councils to engage and pay specialist advisers from the community-led housing sector to help develop proposals and plan their implementation. Available advisers have been provided by DCLG and initial discussions are continuing to shape Herefordshire's proposals in more detail, including grant award process and criteria which will be developed in conjunction with commercial services, along with discussions with Marches CLT, which is the most established trust working in the county.

Community impact

- 11 Development of community-led housing will significantly contribute to the priorities in the council's corporate plan. Enabling families, including children to live in good quality new housing in their local neighbourhoods and villages, helping to ensure they are safe and live independent lives. Community housing promotes local supply chains and jobs for local people, matching needs with resources and skills in the local economy. Housing is also one of the priorities in Herefordshire's health and wellbeing strategy. Increased realisation of community-led housing will extend the diversity of affordable housing in both urban and rural areas and enable genuine participation in building safe and accessible housing in communities.

Equality duty

- 12 The council is committed to equality and diversity using the Public Sector Equality Duty (Equality Act 2010) to eliminate unlawful discrimination, advance equality of opportunity and foster good relations.
- 13 The equality duty covers the following nine groups with protected characteristics: age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The decision does not discontinue services and has no detrimental impact for eligible service users. Equality Impact Assessments will be prepared for each programme funded through the community-led housing fund.
- 14 Community-led housing promotes accessible housing for local people in their own communities. Typically, schemes will provide new housing for vulnerable older people and families with young children. It is likely that schemes supported through the proposals in this report will benefit disabled people and carers as well as other groups of people with protected characteristics.

Financial implications

- 15 The proposals recommended will be paid for entirely from funding provided by DCLG under the Community-Led Housing Fund. A total of £502,789 has been allocated to Herefordshire Council in 2016/17 and it is understood that this may be spent during the period from February 2017 to March 2018 (further guidance is awaited from DCLG). Allocation of spending to the five priorities identified in the report will be authorised by the council's director for adults and wellbeing.

Legal Implications

- 16 The Localism Act 2011 introduced significant changes to housing policy and planning, including social housing reform. The Act introduced a general power of competence that radically increases the freedoms available to local government. With regard to the funding allocated to the local authority from DCLG the grant itself imposes no

conditions on what the money is spent on or how it is spent. However, under Section 151 Local Government Act 1972, every council shall make arrangements for the proper administration of their financial affairs. There are likely to be legal implications for the Council going forward including support in drawing up Governance arrangement and or development agreements for new homes.

17 There is the possibility of legal challenge on allocation of funds.

Risk management

18 Approval of the proposals will confer upon the council responsibility to use the funding in accordance with the objectives of the fund and other guidance. Failure to fulfil that responsibility may lead to financial liability and reputational damage for the council and loss of opportunity for communities to develop housing. These risks will be mitigated by:

- taking advice from experts in community-led housing and engaging with community housing groups locally
- Increased housing development capacity to provide support to community housing groups to ensure effective use of the funding
- Robust monitoring of spending and outcomes

If the proposals were not to be approved, the council would risk being considered to have refused the funding allocated and so would lose the opportunity to invest significantly in community-led housing for up to the next five years, with all the benefits that would bring. This would also bring potentially significant reputational damage to the council among communities and community groups and among strategic housing partners.

Consultees

19 DCLG has worked closely with the National community land trust network and other members of the community-led housing sector. The local authority will work with CLT's, parish councils, communities and members to ensure that they have access and knowledge to the funding.

Appendices

None.

Background papers

- None identified.