

Report to: Cabinet

Date of Meeting: 17 July 2017

Report Title: Community Housing Fund

Report By: Andrew Palmer

Purpose of Report

To advise members of an allocation of £244,000 of Community Housing Funds from Central Government and to outline planned expenditure in respect of the grants funding.

Recommendation(s)

- 1) That the allocation of £50,000 to the Heart of Hastings Community Land Trust from the Community Housing Fund is noted.**
- 2) That up to £50,000 is set aside from the Community Housing fund for Council expenditure that will assist with bringing forward a plan and assist with the redevelopment of the former power station site at the Ore valley.**
- 3) That up to £50,000 is set aside for the Council to support any CLT proposals that might be encouraged and enabled in other areas of the Borough.**
- 4) That £10,000 is committed in support of a County-wide partnership to help share expertise in respect of Community-Led Housing Groups.**
- 5) That the Assistant Director of Housing & the Built Environment, in consultation with the Assistant Director of Finance and the Lead Member for Housing, are granted delegated powers to allocate the remaining £84,000 at a later date to the CLTs or other groups, subject to suitable progress being made in respect of Community Self-Build Plans on the former power station land or alternative sites.**

Reasons for Recommendations

On 23rd December 2016, the Department for Communities and Local Government (DCLG) confirmed a £60 million fund to support community-led housing developments in areas where the impact of second homes is particularly acute. Community-led housing is about local people playing a leading role in solving local housing problems, creating genuinely affordable homes and strong communities in ways that are difficult to achieve through mainstream housing.

The Community Housing Fund is set at £60 million a year for 5 years. Hastings Borough Council has been awarded £244,098 per year over the period. As the funding is ring-fenced the first year's funding in 2016/17 was awarded in two tranches, the second on the basis of an outline expenditure plan submitted by the Council which set out its broad plans and commitment to enabling community housing development.

The first year's funding of £244,098 was received after the annual budgets were set. Therefore, there is a requirement for this funding to now form part of the Council's Budget and for a plan to be formulated setting out how it should be spent.

Introduction

1. Guidance for Local Authorities has been produced to accompany the funding announcement. The guidance outlines how the funds can be used to promote community led housing to support and enable local people to play a lead role in solving local housing problems. The guidance is attached at Appendix A.
2. In summary, and as Appendix A outlines in more detail, the benefits of Community-led housing to local authorities include:
 - reducing reliance on public services, for example addressing social care through building
 - mobilising public support for new homes and regeneration initiative 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, including rented homes that are not susceptible to the Right to Buy, 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; and
 - Promoting community cohesion and resilience that can help tackle issues like antisocial behaviour.
3. The criteria which must be met in order to meet the definition of community-led housing schemes is as follows:
 - 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; and
 - A requirement that the benefits to the local area and/or specified community must be clearly defined and legally protected in perpetuity.
4. In terms of the approaches which will meet the criteria for the funding, these fall into 3 main categories:

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 are met to ensure genuine community benefit and involvement.

Enabling Community-led Housing

5. As the funding is ring-fenced there is a need to commit any future spend against activity which meets the criteria detailed in Appendix A and enable community-led housing developments to be delivered in Hastings. The proposal is for the Council to adopt the following activity against the funding:
 - a. Heart of Hastings Community Land Trust
 - Given the elections in May and June 2017 and the need to provide progress updates to the DCLG, the Council has agreed the early release of £50,000 to the Heart of Housing CLT. It has been important to mobilise the funding promptly as allocations for 2017/18 onwards are dependent upon evidence that the existing 2016/17 allocation is spent or committed against outcomes.
 - The Trust was formed in March 2016. They have already purchased a 9-storey office block at Rock House which has been converted into mixed-use, capped-rent space with three floors of affordable residential and 6 floors of affordable creative workspace. At present they are the only CLT in the Borough and it is proposed that HBC continue to build upon this relationship subject to satisfactory development proposal coming forward for delivery.
 - The Heart of Hastings CLT has been developing its proposals for the site of a former Power Station in an area of social and economic deprivation: the Ore Valley area of Hastings. The site is within the Development Management Local Plan. They have aspirations to develop up to 50 units of affordable rented accommodation on the site. At present, the Council has taken a licence of the land from the Regeneration Company landowners (Seaspace) and has subsequently granted the Heart of Hastings CLT an agreement to temporarily occupy the land in order to help develop their proposals and secure access to development funds.
 - The grant is being used to directly assist them with further technical advice and professional services which might help them better assess the viability of this or an alternative site should the former power station site prove to not be viable for any reason.

b. Ore Valley

- Members will note from the separate Cabinet report covering the Ore Valley land that there is now a proposal to transfer the power station land and some monies directly to the Council subject to a number of conditions being met. These conditions are intended to ensure that the future of the land, its long term maintenance and its redevelopment are safeguarded for the benefit of the community. Community Self-Build options would form part of the master planning for the site. It is proposed therefore that the Council sets aside a sum of £50,000 from the Community Housing fund for Council expenditure that will assist with the development of those proposals

c. The Development of New CLTs

- In addition to the above it is proposed that £50,000 is set aside for the Council to employ consultancy support to look at how other CLT proposals might be encouraged and enabled in other areas of the borough. The intention would be to promote such schemes and encourage local groups to consider proposals in their areas.
- It is further proposed that the Council continue to explore with other Local Authority partners across the wider Sussex area options for sharing expertise and developing other Community-Led Housing Groups. This would include working with a CLT Umbrella Project, which is concerned with the creation of new CLTs and the support of existing partnerships within Sussex. All LA partners in East Sussex and supportive of this approach and it is proposed that each contribute a sum of 10,000 from their funds in support of this approach.

d. Future Activity

- The remaining sum of approximately £84,000 should be held in abeyance and used to help support specific proposals as they come forward or are further developed. Future allocations for 2017/18 onwards are dependent upon progress made in the previous year.

Policy Implications

6. Economic/Financial Implications – the scope of the Community Housing Fund is detailed within this report and will be utilised to enable community-based housing to be realised in the Borough.

Wards Affected

All

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No
Anti-Poverty	No

Additional Information

Appendix A - Guidance from the community-led housing sector

Officer to Contact

Officer Name - Joe Powell
Officer Email Address – jpowell@hastings.gov.uk
Officer Telephone Number – 01424 451314

Appendix A

Community-led housing: What is it and what can it offer your local authority?

Guidance from the community-led housing sector

This guidance has been prepared by the community-led housing sector for officers and elected members. It:

- explains what community-led housing is
- highlights the benefits how community-led housing can deliver on your strategic aspirations
- highlights the availability of substantial government funding aimed at promoting the sector
- explains where further advice can be obtained on how to make the best use of this funding, secure the second tranche of funding, and realise the benefits of community-led housing in your area.

Community-led housing is 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.

Benefits for local authorities

Community-led housing can bring significant benefits to local authorities. These include:

- 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, including rented homes that are not susceptible to the Right to Buy, 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 as 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

Community-led housing approaches can also 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.

Bringing resources into your area through community-led housing

The newly announced Community Housing Fund provides £60 million per year of revenue and capital funding for the sector. This will be a game-changing fund with significant opportunities for local authorities. Community-led builders can access mainstream funding, such as the £3 billion Home Building Fund and money from the HCA's and GLA's affordable housing programmes. Community-led groups have also brought 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. They can build up new resources and resilience in your communities.

Criteria for genuine community-led schemes

An alliance of community-led housing organisations has 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.

Approaches to community-led housing

Community-led housing has a significant history accompanied by a range of distinctive terminology and practices. Over time a number of established approaches have developed which all have specific characteristics, yet overlap to the extent that the distinctions between them are becoming increasingly academic. 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. The main aims that different approaches provide for are:

Stronger neighbourhoods, shared spaces, mutual support

Cohousing 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. Cohousing 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. Rented homes are protected from the Voluntary Right to Buy and 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.

Routes to delivery

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.

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.

Support available for local authorities

The community-led housing sector can provide a range of technical support services for all approaches and all routes to delivery. These are best provided by local or sub-regional organisations with a strong understanding of the local housing market, and relationships and partnerships with local authorities, housing associations and developers. The Community Housing Fund can be used to create or grow this kind of enabling infrastructure in your area. As a first step, the sector can provide you with advice and enabling services to help you make the best use of the Community Housing Fund and be in a strong position to secure the second tranche of funding. The package of specialist advice includes:

- An introductory session to understand community-led housing, how it might meet your authority's priorities, and how it can dovetail with other duties such as the Right to Build and Neighbourhood Planning.
- Mapping existing community-led housing activities in your area and in neighbouring authorities, including groups, technical advisers and enabling organisations, and options for growing the sector locally and in partnership with neighbouring authorities.
- Advice on internal policies, procedures and structures to best enable community-led housing and avoid unnecessary and expensive delays, such as asset disposals/leases, the planning system, local sales and lettings policies, and the use of self and custom build registers nurturing a local enabling and support vehicle so that your use of the funding creates a legacy of delivery capacity within your authority and in the local community
- Signposting further specialist support for each of these areas.

You will be signposted to appropriate online resources (existing or emerging) as part of the support on offer.

What happens next?

If you would like to arrange for an introductory session with a community-led housing adviser please send a brief email to communityledhousing@bshf.org and we will put you in contact with an appropriate specialist.

Further information about community-led housing support services, wider support organisations, and signposting to sample case studies can be found at:

<https://www.bshf.org/our-programmes/community-led-housing>