



**REPORT of
DIRECTOR OF CUSTOMERS AND COMMUNITY**

to
**COUNCIL (EXTRAORDINARY)
17 MAY 2018**

COMMUNITY LED HOUSING - PROGRESS AND GRANT FUNDING

1. PURPOSE OF THE REPORT

- 1.1 To indicate progress with the implementation of the Council's Community Led Housing programme and seek approval for the recommendation for the allocation of capital funding.

2. RECOMMENDATIONS

- (i) that Members note the progress and positive contribution that Community Led Housing contributes towards the reputation of the Council and local housing need; and
- (ii) that capital funding is set to a maximum of £30,000 per unit subject to meeting the criteria outlined in this report, availability of funds and the approval of the Council.

3. SUMMARY OF KEY ISSUES

- 3.1 The Council received funding from the Ministry of Housing and Local Government in January 2017 to initiate a Community Led Housing programme. This is an innovative way to help local community groups become more involved in helping to meet the need for affordable housing, including homes for older people, for their local community.
- 3.2 An Officer was seconded into a fixed-term post dedicated to this initiative and an event held in the spring of last year to engage with possible partners. Approval of the Local Development Plan by the Secretary of State last summer helped by setting development boundaries and making it possible to then demonstrate that any Community Led Development would be in addition to the local plan (a requirement for classification of such projects).
- 3.3 Since this time, officers have built up links with partners who are able to help promote the concept (such as the Rural Community Council of Essex (RCCE) and housing associations who specialise in smaller developments), local community groups (such as smaller housing associations, parish councils, almshouse and other local charities) and landowners.

- 3.4 We have found that a number of local community groups appreciate the promotion of Community Led Housing by the Council and welcome the support that is offered to them to help build their understanding, capacity and potential to expand or in the case of some charities build links with other who can help them meet the housing need for those that they represent or support. Although the Council's Housing Service has an established record of enabling small, locally led housing projects, this has often not been recognised beyond a small select number of local communities. Engaging with groups who are concerned by the impact that the current housing situation is having on their local groups has been warmly welcomed as they may have felt that their needs would otherwise be overlooked or ignored by others involved with housing development. The Housing Service is currently working with the following community groups:
- LEAP – Legacy East Almshouse Partnership;
 - Local Almshouse Charities;
 - SAFE (Supporting Asperger Families in Essex);
 - Maldon Housing Association;
 - Purleigh Old Peoples Housing Association;
 - Rural Community Council for Essex;
 - CHESS – Chelmsford nightshelter;
 - Wingspan – Social Enterprise Group;
 - Dengie Project Trust.
- 3.4.1 Officers are also looking into the possibility of working with charities supporting ex-service personnel. Officers would like to promote the programme more widely but have to take into account the capacity of the Service and will therefore review this later in the year as an action for the Housing Strategy.
- 3.5 Some local housing authorities have concentrated on encouraging Community Led Housing through Community Land Trusts (CLTs); although we would welcome and seek to support any local group who are interested in this as a possibility, feedback from some who have been involved in CLTs elsewhere shows that they can be time-consuming for volunteers to set up and manage through to development and management. By taking a more flexible approach, including the possibility of helping groups refurbish existing buildings, or working in partnership with others such as specialist housing associations, we have found there to be more flexibility and a greater willingness from some groups who may not have the experience or capacity to undertake all the aspects of Community Led Housing.
- 3.6 This flexible approach has also encouraged support and engagement from partners such as the RCCE who can see how Community Led Housing can be a more efficient way in some cases to meet the need for affordable housing in rural areas than more conventional rural exception schemes. Recently Anglia Ruskin University has also begun discussions with the Council's Housing Service, recognising how the Council's innovative approach to working with local groups to meet housing need could fit with some of their proposals to develop and promote best practice in the design, construction and use of new homes, including supporting local businesses and making the supply of new homes more sustainable and relevant to local communities.

- 3.7 As the Community Led Housing programme begins to take shape, there is a need to consider how the Council could consider providing capital investment as it did in the past to help enable the development of affordable homes, using commuted sums or other funding that may be available. Naturally there is no way that such funding can be guaranteed from the outset but as the pace of development increases across the District, there will be more opportunities to secure financial contributions which could be allocated in part to Community Led Housing developments. To facilitate the possibility of this it is proposed that the following criteria should apply:
- (i) The maximum level of grant funding should be set at £30,000 per unit – this is slightly lower than Homes England grant levels but reflects the fact that in most cases Community Led Housing would take place on sites allocated for this purpose.
 - (ii) Applications should be accompanied by a viability statement that details the cost and value of the proposed development, demonstrating that costs are reasonable and grant is not being used to subsidise or inflate other costs.
 - (iii) Payment will only be made on completion and use of the homes will be made a condition of Section 106 (S106) Agreement.
 - (iv) Although the intention will be that homes will be for use as affordable in perpetuity, there will be a requirement for repayment of the Council’s grant should there be a change of use and the homes are no longer affordable and available to meet the intended purpose. Agreements for funding will reflect this and can give the Council discretion to allow for some changes of use where this would still meet the need of the community and the Council’s requirements as the Local Housing Authority. It is not possible to impose this condition to cases where the tenant exercises a Right to Buy.
 - (v) The award of grant will not preclude the provider from applying or receiving other grants or subsidies providing that these are accounted for in the application – as this can help increase investment, improve delivery and help ensure the level of affordability is kept as low as possible.
- 3.8 This is not an exhaustive list of terms and conditions but would be a helpful head of terms for both officers and partners to use as a possibility as and when funds come available.
- 3.9 Officers are currently working on an indicative mix of housing which would provide an optimum balance between justifying the consideration for a scheme as an exception to policy on the basis that it has a much higher proportion of affordable homes (80%) but would still allow up to 20% homes for sale to help improve financial viability including a small incentive to the land-owner. This would also help reduce the need for subsidy, allowing the Council to make best use of its funds.
- 3.10 Enabling development of sites by housing associations and ideally local builders and contractors would also help reduce costs and create greater opportunities for local groups to meet housing need. This would require working with Registered Providers who are sympathetic to smaller developments and working with specialist types of housing so officers will also be looking at identifying and selecting a small number who have both expertise and willingness to support our aims.

4. CONCLUSION

- 4.1 The Council's Community Led Housing programme is beginning to gain interest beyond the initial community groups who have already come forward, helping to highlight the Council's commitment to meeting the District's need for affordable housing and its ability to innovate in order to achieve this and make best use of resources including the engagement of local community groups.
- 4.2 Agreeing possible heads of terms for future grant funding does not bind the Council in any way to awarding funding but does demonstrate its commitment to the government's plans to encourage Community Led Housing as a way to support local communities and diversify the way that homes are delivered.

5. IMPACT ON CORPORATE GOALS

- 5.1 Strengthening communities to be safe, active and healthy – by supporting an ageing population in the case of providing homes for older people and supporting the voluntary sector to help strengthen local communities.
- 5.2 Protecting and shaping the District – by achieving a high quality of design in development and meeting local needs.
- 5.3 Delivering good quality, cost effective and valued services – by providing services that reflect the needs and aspirations of our communities and a democratic structure which facilitates participation and local decision making.

6. IMPLICATIONS

- (i) **Impact on Customers** – Customers are the beneficiaries of Community Led Housing, through which they can work or become engaged to have their need for housing met.
- (ii) **Impact on Equalities** – Community Led Housing has the potential to meet the housing need of some groups, such as older people or people with disabilities, whose needs may not otherwise be met through conventional housing development.
- (iii) **Impact on Risk** – None identified: enabling the development of this type of housing can reduce the risks of not meeting the housing need of the District and improve the supply of homes protecting the Council's housing supply.
- (iv) **Impact on Resources (financial)** – All revenue costs are currently being met through funding awarded by the Ministry of Housing.
- (v) **Impact on Resources (human)** – None.
- (vi) **Impact on the Environment** – The Housing Service is exploring ways, through working in partnership for example with Anglia Ruskin University, to improve the design and sustainability of new homes to lessen the impact on

the environment as well as look to see where possible to make better use of existing buildings including empty or abandoned homes and buildings.

Background Papers: None.

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