

Report Template

Report to: **Executive**
Date: **10th December 2015**
Title: **Community Led Housing Initiative**
Portfolio Area: **Customer First**

Wards Affected: **All**

Relevant Scrutiny Committee:

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

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Recommendations:

1. The approved £100,000 Community Led Housing Initiative be changed from a loan to a grant scheme.

1. Executive summary

The Community Led Housing Initiative was approved by Members at Executive on 12th December 2013. Since this time there has been no uptake of the loan from community groups. Feedback has been that communities are unable to afford to take out a loan because of the uncertainty around being able to pay it back.

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2. Background

An increasing number of communities are taking an active role in the delivery, ownership and management of affordable housing. This is typically through Community Land Trusts. This approach is an alternative to the traditional approach of section 106 led delivery, whereby the Council negotiates with private developers to ensure a percentage of new homes are affordable.

A key barrier for Community Land Trusts in delivering affordable housing, is access to funding, particularly in the early stages at pre-application stage. The Community Led Housing Initiative was established to provide loan finance to enable projects to progress to the planning application stage.

The concept was set out in the Housing Capital Programme report, 6th June 2013 (see attached) and approved (minute ref E05/13). The approval included an allocation of £100,000 from the Housing Capital Programme to fund the initiative. The detail of the Community Led Housing Initiative loan was reported to Community Life and Housing Scrutiny Panel on 21st November (see attached) and approved at Executive on 12th December 2013.

Since approval of the loan fund there has been no uptake from Community Land Trusts in the South Hams. The Council is working with three constituted Community Land Trusts, South Brent CLT, Transition Homes Totnes on a site they have bought in Dartington and Harberton CLT. All three groups have identified sites and are all struggling with pre-development costs. The reason they have not taken up the loan is because of concerns about paying it back.

3. Outcomes/outputs

If members agree to the Community Led Housing Initiative being changed from a loan to a grant results may be seen in a relatively short period of time.

South Brent Community Land Trust has a well advanced scheme, unfortunately they have recently lost some of their pre-development funding. If this report is approved then the grant will assist with taking their proposal forward to Dartmoor National Park planning committee. The Local ward members are in approval.

The same criteria for assessment would apply.

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Purpose and Eligibility

The purpose of providing grant finance is to assist with pre-development costs i.e. the cost of progressing a scheme to planning application stage. This may for example include professional fees such as architects and surveyors or general costs associated with progressing a scheme. Grants will not be provided to support day to day running costs of a group and will only be available to formally constituted groups such as Community Land Trusts and Town and Parish Councils.

Grants will be between £10,000 and £25,000 and it is expected that the community group applying for the grant must have raised at least 50% of the funding required to progress the project.

Applications for grants can be made at any time. Schemes should however be sufficiently advanced and be able to demonstrate that they can realistically be delivered. This will be a key criteria when assessing grant applications to ensure the Council only provide grants to schemes which have a high degree of certainty.

Criteria for Assessment

Grant applications will be assessed against the above purpose and eligibility together with the following criteria:

- Community groups must be constituted as a Community Land Trust or other appropriately constituted body before applying for a grant.
- The constitution of participating organisations must allow the organisation to borrow.
- Grants will not be provided to individuals on behalf of an organisation.
- Each scheme will be judged on its own merit.
- Schemes must be financial viable and have a high degree of certainty that they can be delivered. Applicants will need to demonstrate this.
- Communities must be able to demonstrate availability of other funds sufficient to progress the scheme to planning application stage.
- Community groups must be able to demonstrate financial capabilities.

It is anticipated the £100,000 funding available will still be sufficient to support four community led affordable housing projects.

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4. Options available and consideration of risk

Members could agree not to approve this report, however, this would result in no support for community led affordable housing delivery and no uptake of the approved grant fund. This reduces options for our communities.

To minimise risk, with member's approval, this initiative could be reviewed and monitored on a yearly basis. This is important given the amount of changes and uncertainty in relation to affordable housing at the present time.

Audit have been consulted and have provided advice on demonstrating a clear audit trail to protect officers and the Council. This includes a formal agreement with stipulations and methods of repayment if non-compliance with grant conditions.

5. Proposed Way Forward *(do not remove)*

Members approve the Community led Housing Initiative Loan to Grant fund to deliver affordable housing to meet the needs of our community. This meets one of our priority actions for 2015/16 which is to "develop and adopt a range of initiatives to support wider housing need across the district."

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	This will need to be monitored to ensure that we are meeting our statutory obligations.
Financial	Y	The financial impact is the £100,000 will no longer be self-perpetuating. However as it currently stands it is not being used at all. The new properties developed will attract New Homes Bonus.
Risk	Y	Reviews will need to be taken to ensure that the council continues to meet the statutory requirements.
Comprehensive Impact Assessment Implications		

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Equality and Diversity	Y	There is a need to ensure we continue to meet our statutory duties.
Safeguarding	N	No direct safeguarding concerns with regard to this policy.
Community Safety, Crime and Disorder	Y	No direct implications.
Health, Safety and Wellbeing	Y	None
Other implications		None

Supporting Information

Appendix 1: Community Housing Fund Leaflet

Background Papers:

Affordable Housing Capital Programme Report 6th June 2013 – Executive

Community Led Housing Initiative Report 21st November 2013 – Community Life and Housing Scrutiny Panel

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	N/A