

## REPORT TO CABINET

<b>Open</b>		Would any decisions proposed :		
<b>Any especially affected Wards</b>		Be entirely within Cabinet's powers to decide	YES	
	Discretionary /	Need to be recommendations to Council	NO	
	Operational	Is it a Key Decision	NO	
Lead Member: Cllr Adrian Lawrence E-mail:		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Duncan Hall E-mail: Direct Dial:		Other Officers consulted: Chief Executive/Assistant Director - Finance & Resources		
Financial Implications YES	Policy/Personnel Implications YES	Statutory Implications NO	Equal Impact Assessment YES If YES: Pre-screening/ Full Assessment	Risk Management Implications YES

Date of meeting: 28 February 2017

## COMMUNITY HOUSING FUND

### Summary

This report provides information on the funding awarded to BCKLWN in 2016/17 through the Community Housing Fund. The fund has been established to support the delivery of community led affordable housing schemes in areas where the impact of second homes is particularly acute.

Whilst the Council has been awarded £890,576 in 2016/17, payment of the final 50% of this sum is dependent on the submission of a satisfactory delivery plan. This report shows how the fund will be targeted at parts of the Borough where there is strong demand for second homes/holiday homes. It identifies a number of opportunities for how the fund could be spent and makes two recommendations which will support the development of a delivery plan.

### Recommendation

It is recommended that:-

1. Cabinet approves the targeting of the Community Housing Fund monies on parts of the Borough where there is strong demand pressures associated with second homes/holiday homes.
2. Cabinet delegates to the Chief Executive in consultation with the Housing and Community Portfolio Holder:
  - a. The production of a delivery plan for the spend of the 2016/17 Community Housing Fund allocation.
  - b. Authority to negotiate and agree with the North Norfolk District Council joint working or partnership arrangements through which the outcomes for the Community Housing Fund can be delivered.
  - c. Spend of the Community Housing Fund in accordance with the delivery plan.

**Reason for Decision**

The recommendations will ensure that the opportunity presented by the Community Housing Fund to support rural and coastal communities where the impact of high levels of second and holiday homes is most acute will be fully realised and will ensure that the Council will be able to continue to support such communities by developing a strategic approach and delivery programme to support the funding opportunities available through the fund from 2017/18 onwards.

**1.0 Background**

- 1.1 Central Government announced through the 2016 Budget that £60m will be provided to support community led housing developments in rural and coastal areas where the impact of second homes is particularly acute. As a result the Community Housing Fund has been developed as an annual fund available to English authorities, funded from the increased Stamp Duty Land Tax rate which applies when an additional property is purchased – such as a second home or buy to let property.
- 1.2 On 23 December 2016 the Government formally announced the launch of the Community Housing Fund and the individual allocations to 148 local authorities for 2016/17. West Norfolk has been awarded £1.8m which represents one of the largest awards to any local authority. The Council's large award recognises the number of second and holiday homes in the district and the impact of this upon affordability of housing for local people.
- 1.3 The first year of funding is designed to ensure that there is sufficient capacity and skills to deliver an ongoing and sustainable programme of community led housing schemes with funding from April 2017 focused on supporting the delivery of new homes. Further allocations will depend in part on whether the initial allocation is spent in accordance with the objectives of the fund. On this basis, in order to ensure the applications/bids to the fund from April 2017 are successful, the Council will need to develop and implement an effective ongoing delivery strategy. This will allow the fund to continue to be used to benefit local communities with high levels of second and holiday homes through the provision of new affordable homes and the ability of the new housing schemes to provide wider community benefits.

**2.0 The Community Housing Fund**

- 2.1 The Council's 2016/17 allocation from the Community Housing fund will be paid in two tranches, the first tranche of 50% was paid in January, the remaining tranche will be paid in March subject to the Council satisfying the Department of communities and Local Government (DCLG) that it has an appropriate delivery plan for spending the 2016/17 allocation in order to address the impact of second homes.

- 2.2 The fund is flexible in that it can be used to provide capital investment, technical support and revenue funding to make schemes more viable and significantly increase the delivery of community led affordable housing of all tenures. Discussion with the DCLG has identified that it is up to the Council to determine how to spend the monies it receives to deliver against the objective of the fund and therefore the 2016/17 monies can be used to fund additional staff resource and fund the provision of additional affordable housing.
- 2.3 Allocations from the Community Housing Fund from 2017/18 onwards will depend in part on how the 2016/17 allocation has been spent. It is not clear at this time how the 2017/18 budget will be allocated and it is expected that there will be a bid round which will be limited to the 148 local authorities which received funding in 2016/17. The focus for future years funding will be on proposals which deliver new housing and future funding is likely therefore to depend on the establishment of a pipeline of suitable community led schemes.
- 2.4 A community led housing development scheme, in accordance with the guidance prepared for the Community Housing Fund will have:
- A requirement that the local community has been involved in key decisions throughout the process. The community is not required to have initiated the process or to manage the development or the homes but can choose to do so;
  - A presumption in favour of community groups that are taking a long term formal role in the management, ownership or stewardship of the homes; and
  - A requirement that the benefits to the local area/or specified community are clearly defined and legally protected in perpetuity.
- The delivery of new homes can be through a number of routes which includes community led housing organisations, Community Land Trusts or partnerships with developers or Registered Providers.
- 2.5 The Community Housing Fund allocation to West Norfolk is a significant, if not unique, opportunity for the Council to address the issue of the impact of second homes to the benefit of our local communities. The focus of the fund is on providing affordable homes of all tenures; there could be opportunities associated with the development of new homes that can be used to provide an income which supports facilities which are important to the community and deliver wider community benefits.

### **3.0 Targeting of the Community Housing Fund**

- 3.1 Across the Borough approximately 4.50% of homes are second homes or holiday homes. Whilst there are substantial variations within the borough the majority of parishes with the highest levels of second homes (exceeding 30%) are found in the north of the borough reflecting the very large number of second homes in holiday areas by the coast.

## **4. Next Steps**

- 4.1 In order to ensure that the Council receives the second tranche of the 2016/17 Community Housing Fund allocation and that the fund remains an ongoing source of funding available to support community led housing developments it is imperative that the Council:
- Develops a robust and credible delivery plan showing how the 2016/17 Community Housing Fund allocation is being/will be spent and expected outcomes/deliverables.
  - Delivers a number of 'quick wins' showing how the fund is being used to meet its objective across the Borough.
  - Develops an ongoing framework and delivery strategy which supports the development of community capacity to bring forward community led housing schemes.
  - Has sufficient in house and external capacity to support the implementation of the 2016/17 delivery plan and achieve full spend of the available funding and future allocations.
- 4.2 As a recipient of the Community Housing Fund, the Council will be required to assist the DCLG to carry out a review of the outcomes achieved from the fund. This requirement will be built into the implementation of the delivery plan and delivery strategy to ensure that outcomes delivered by projects and schemes are evaluated and captured.
- 4.3 An initial review of potential options for projects and initiatives for the Community Housing fund has identified the following opportunities for the 2016/17 funding:
- Review the existing programme of Exception Housing Schemes developed in partnership with local communities in the targeted area to identify schemes which could be prioritised for early delivery through the use of the fund.
  - Seek to develop a model whereby some of the grant funding provided to support development of community led housing schemes is recycled to fund future schemes providing additional capacity and longevity for the fund.
  - Explore whether a joint approach with the North Norfolk District Council could allow a partnership approach or structure to bring the required capacity including staff resources to support the above opportunities and future use of the fund.
  - Utilise existing delivery arrangements within the Council including Major Housing building contract and the Local Housing Company.

## **5.0 Risk Management Implications**

- 5.1 The potential risks and implications associated with the fund are discussed below:
- It is important that community expectations for the fund in terms of community support for the principles of the grant relative to the availability of funding and the impact of specific scheme proposals are managed.

- Whilst schemes will be developed with local communities there may be objections from some interests in the local community to the proposed housing development which could delay proposals being brought forward or the development of schemes.

5.2 The council will develop a communications strategy to ensure that the Council's proposals in relation to the use of the Community Housing Fund are communicated clearly and effectively to internal and external audiences, stakeholders and local communities with high levels of second and holiday home ownership.

## **Options Considered**

### **7.0 Policy Implications**

7.1 This initiative aligns closely with Council's existing housing policies, particularly the exceptions site policies for rural locations.

### **8.0 Financial Implications**

8.1 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 the Council will actually receive in terms of the 2016/17 allocation and from future applications/bids for funding from April 2017 onwards, it is recommended that a prudential approach is taken to the spend 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.

## **Personnel Implications**

### **10.0 Statutory Considerations**

10.1 There are no statutory implications.

### **11.0 Equality Impact Assessment (EIA)**

(Pre screening report template attached)

11.1 There are no equality and diversity implications directly associated with this report.

## **Declarations of Interest / Dispensations Granted**

## **Background Papers**



## Pre-Screening Equality Impact Assessment

Name of policy/service/function					
Is this a new or existing policy/ service/function?	New / Existing (delete as appropriate)				
Brief summary/description of the main aims of the policy/service/function being screened.  Please state if this policy/service rigidly constrained by statutory obligations					
<b>Question</b>	<b>Answer</b>				
<b>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups <b>according to their different protected characteristic</b>, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</b>  Please tick the relevant box for each group.  NB. Equality neutral means no negative impact on any group.		Positive	Negative	Neutral	Unsure
	Age				
	Disability				
	Gender				
	Gender Re-assignment				
	Marriage/civil partnership				
	Pregnancy & maternity				
	Race				
	Religion or belief				
	Sexual orientation				
	Other (eg low income)				
<b>Question</b>	<b>Answer</b>	<b>Comments</b>			
<b>2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?</b>	Yes / No				
<b>3. Could this policy/service be perceived as impacting on communities differently?</b>	Yes / No				
<b>4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?</b>	Yes / No				
<b>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions?</b> If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section	Yes / No	<b>Actions:</b>			
		<b>Actions agreed by EWG member:</b> .....			
<b>Assessment completed by:</b> <b>Name</b>					
<b>Job title</b>	<b>Date</b>				

**Please Note: If there are any positive or negative impacts identified in question 1, or there any 'yes' responses to questions 2 – 4 a full impact assessment will be required.**