

Subject:	Community led housing update		
Date of Meeting:	14 March 2018		
Report of:	Executive Director Neighbourhoods, Communities & Housing		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 Brighton & Hove has a well established and active community housing sector and a history of supporting innovative community housing schemes. The city's Housing Strategy, Fairness Commission Report and City Plan recognise and confirm the council's commitment to community led housing in the city highlighting its importance in helping to meet a key priority of improving housing supply in the city.
- 1.2 Increasing affordable housing supply in the city is being achieved in a number of ways. These include:
- Through planning policy and delivery of affordable housing by registered providers
 - New Homes for Neighbourhoods programme delivering 500 new council homes for letting to local households in greatest housing need
 - Joint Venture delivering 1,000 new homes for lower income households – shared ownership and living wage rent
 - Increasing settled temporary accommodation in the city for households BHCC has a statutory duty to find accommodation for
 - Supporting community led housing to deliver housing in the city.

This delivery is within the context of high demand and housing needs and limited opportunities for new development within the city's boundaries.

- 1.3 The Fairness Commission recommended seven actions for the council 'to address the affordability of housing, and an integrated supply of housing'. One of these actions was 1(f) *'Offer council-owned and other publicly owned land, including sites on the city fringes, brown field sites, to housing co-operatives, self-build groups and community land trusts to develop affordable social housing with the guarantee it will go to local people. Set up a revolving fund by 2018 and an advice hub to support the work of housing co-operatives, self-build groups, community land trusts and energy co-ops'*.

- 1.4 The Housing Strategy in delivering the priority aim of improving housing supply identified four actions for the community housing sector. These were:
- Promote the concept of community housing
 - Explore the viability of Community Land Trust and wider community housing development options when land is available with a focus on maximising the social value of new developments where appropriate
 - Explore the use of commercial properties for co-operatives where compatible with City Plan policies
 - Share information on development opportunities with the Community Housing Network
- 1.5 In Section SA4 Urban Fringe of City Plan Part 1 it states *‘further consideration and an assessment of potential housing sites will be undertaken to inform allocations made in Part 2 of the City Plan with a particular emphasis on delivering housing to meet local needs’*. As part of this process, the city council will consider how best to ensure that opportunities for Community Land Trusts, community led development, right to build and housing co-operatives are brought forward/safeguarded in order to maximise housing opportunities that meet local housing needs. This will be taken forward through the City Plan Part 2’
- 1.6 This report provides an update on activity in delivering community led housing in the city and progress against the recommendations agreed at Housing & New Homes Committee on 25 September 2017, attached at appendix 1.

2. RECOMMENDATIONS:

That Housing & New Homes Committee:

- 2.1 Note the progress to date with supporting community led housing in the city and the future plans.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Brighton & Hove City Council (BHCC) has a long history of working with housing co-operatives and community led housing is represented on the city’s Strategic Housing Partnership. In 2012 the council supported local housing co-ops and community groups in their successful bid under the communities’ element of the Government Empty Homes Programme 2012-15 which provided funding enabling the purchase of two houses for local co-operatives. A local co-op manages a pre built scheme of 11 BHCC properties with their lease about to be renewed for a further 20 years. The council has a nominations agreement and new tenants are sought through the housing register.
- 3.2 A current example of new build is Bunker Co-op who will start a self build housing scheme on a piece of council land which has been leased to them through a BHCC pilot project. Two family homes will be built for rent, which will be let within affordable rent levels to applicants including those from the housing register and to which the council will be able to nominate future tenants. This is in keeping with the commitments in the council’s Housing Strategy 2015 to

support community housing development. It also supports Housing Recommendation 1 (f) of the Fairness Commission Report.

- 3.3 A Housing Commission set up in 2017 by the Co-operative Councils Innovation Network (CCIN) looked at how local authorities can support co-operative and community-led solutions to the housing crisis. BHCC provided case study examples for this work and presented at the launch of the commission's report on 24 January 2018.

Community led housing programme

- 3.4 In December 2016 the Government announced a new Community Housing Fund to help councils that had the least affordable homes or the highest density of second homes. The Community Housing Fund aims to put local groups in the driving seat, help build capacity and support local projects, now and into the future. The council received a grant of £464,540 which was subsequently awarded by the council in October 2017 to Brighton & Hove Community Land Trust working in partnership with Co-operative Housing in Brighton & Hove (CHIBAH) and Mutual Aid in Sussex (MAIS) to deliver a community led housing programme.
- 3.5 The programme aims to support local people who want to start their own community led housing projects including co-operatives, cohousing and self build. They will do this through:
- Setting up a hub and the programme to support this work
 - Raising awareness, engaging communities and organisations ensuring that its reach goes to the wider community beyond those already involved
 - Finding and realising the potential of sites and/or properties
 - Providing community led housing project and group support.

The council is represented on both the steering group and an assessment panel for awarding grants to groups.

- 3.6 The programme's formal launch was on the 21 February 2018. Over 200 people attended the launch which had speakers from the council, Bunker co-operative and C20 future planners an organisation involved in community led housing nationally. The event also included the opportunity for people involved in community-led housing groups to share their experiences and learn from each other.
- 3.7 The Ministry of Housing, Communities & Local Government are due to announce shortly arrangements for the second year of funding. This will provide further opportunities for capital and revenue funding with an element of the funding also to go towards developing an advisory network that supports community groups to bring forward projects. Applications can be made from community groups, registered providers and any other appropriate organisations. Once further guidance is provided we will work with the community led housing programme to review opportunities for bids to further the work they are doing.

- 3.8 Community led housing can involve building new homes (on council or privately owned land), returning empty homes to use and buying or managing existing homes. Each of these opportunities exists within Brighton & Hove and is being actively explored by the programme. To help facilitate this the council has arranged for the programme team to meet with the chair of the city's Affordable Housing Development Partnership to link them to land agents in the city and to run basic viability of smaller S106 sites (affordable housing on new developments as required through planning policy) where affordable housing would usually be provided through a Registered Provider. Furthermore empty property owners in the city will be targeted specifically promoting community led housing as an option for their property and inviting direct contact with the programme.
- 3.9 City Plan Part Two (Development Management and Site Allocations) is currently being prepared and will include proposed site allocations for some of the council owned and privately owned urban fringe sites. Subject to approval by the council's Tourism, Development and Culture Committee in June 2018, there will be a public consultation exercise running for six weeks this Summer.
- 3.10 A pathway is under development for council owned sites to ensure there is clear route for considering when land or building opportunities may be considered for community led housing. This pathway will initially be considered by the Estate Regeneration Members Board with further discussion with the community led housing programme team thereafter. This pathway will offer context, transparency and mutual understanding of the circumstances under which community housing development may be considered, including: our priorities around delivery of the New Homes for Neighbourhoods programme; the potential disposal route (lease or sale of freehold) ; conditions attached to the disposal, including best consideration, nominations rights and development of sites to an appropriate density. Any schemes coming forward would then be subject to consideration by Estate Regeneration Members Board, Housing & New Homes Committee and Policy, Resources & Growth Committee.

Financial resources available to community led housing schemes

- 3.11 Community led groups can bring in significant resources not accessible to other housing providers through commercial and social lenders, charitable funds, crowdfunding, and, in self build schemes, their members own labour and expertise. Opportunities for funding may also be available from the MHCLG Community Housing Fund or through the Shared Ownership and Affordable Housing Programme if schemes meet the criteria.
- 3.12 Subject to business case, the council has the potential to support organisations that help further council priorities, including providing loans.
- 3.13 Aside from State Aid requirements, the council would want to be satisfied that it is lending to bona-fide projects/organisations and that the council's investment will be returned. Full due diligence must be undertaken to include finance and legal teams to ensure there is a sound business case, the company is financially viable and the legal terms of the loan are sound.

- 3.14 However, it is not permitted to on-lend to any organisation at sub-market rates (and therefore cannot on-lend at PWLB rates). It cannot influence local markets conditions and competition by using public sector borrowing and thus any loans the council provides would need to be at an interest rate which reflects:
- the rate that the borrower could obtain from another market lender (where known);
 - the risk of the project/borrower;
 - the collateral available against the loan.
- 3.15 The additional social value created in the delivery of something that has a wider community or public benefit has the potential to be recognised through the disposal of land at affordable rented housing value and through payment via an annual ground rent, in lieu of a capital payment at the start of the lease.

4. ANALYSIS & CONSIDERATION OF ANY OPTIONS

- 4.1 This report provides an update on community led housing activity in the city and confirms the council's commitment to supporting community led housing in the city. The pathway that is being developed for council owned sites as mentioned in paragraph 3.10 will outline the circumstances when development can be considered and the options available for each site.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Raising awareness and engaging with communities is a key aim of the community led housing programme. The programme aims to connect local people who want to start their own housing projects and raise awareness and build knowledge about housing with local people, the council and others who work in housing.

6. CONCLUSION

- 6.1 The Community Housing Fund has provided additional resources to further enhance community led housing city in the city, supporting groups of people to come together and organise, or build, their own affordable homes.

7. FINANCIAL & OTHER IMPLICATIONS:

7.1 Financial Implications:

There are no immediate financial implications for the council itself as the first stage of the community led housing programme is fully funded by an allocation of the government's Community Housing Fund as set out in paragraphs 3.4 – 3.7 of this report. Future potential funding parameters are set out in paragraphs 3.11 to 3.15.

Finance Officer Consulted: Jessica Laing

Date: 28/02 2018

7.2 Legal Implications:

There are no immediate legal implications arising from this report which is for noting. Legal advice may be required as individual schemes are brought forward.

Lawyer Consulted: Liz Woodley

Date: 03/03/2018

7.3 Equalities Implications:

Community led housing allows local people to take control of their housing and creates alternatives to the limited choices that may be available in the local housing market. Community led housing offers a range of tenures benefiting a range of people and communities including older or vulnerable people. An increase in housing supply may also extend opportunities to accommodate households on the Housing Register who are on housing need including vulnerable groups.

7.4 Sustainability Implications:

Community led housing provides a housing option that enables people to remain in their local area and ensure neighbourhood services remain sustainable. Community led housing developments can benefit from being innovative with environmentally sustainable design.

Any Other Significant Implications:

7.5 Public Health Implications:

Community led housing creates and demonstrates alternative ways of living which can have a positive impact on wellbeing, Furthermore improvements to neighbourhoods will have a positive health impact on residents.

7.6 Crime & Disorder Implications:

Community housing can create opportunities to make use of empty buildings and vacant land which may otherwise become subject to anti social behaviour.

7.7 Risk and Opportunity Management Implications:

Community led housing provides another option for increasing housing supply in the city and providing permanently affordable housing.

7.8 Corporate / Citywide Implications:

Every new home built helps meet the city's pressing housing needs and deliver the first priority in the council's Housing Strategy 2015 of improving housing supply.

SUPPORTING DOCUMENTATION

Appendices

**Appendix 1 Recommendations from Housing & New Homes Committee 25
September 2017**

Documents in Members' Rooms None

Background Documents None

