

This Report will be made public on 13 July 2021

Report Number **C/21/21**

To: Cabinet
Date: 21st July 2021
Status: Non key decision
Responsible Officer: Andy Blaszkwicz, Director – Housing and Operations
Cabinet Member: Cllr Godfrey, Cabinet Member for Housing, Transport and Special Projects.

SUBJECT: Community-Led Housing Seed Funding Scheme

SUMMARY: This report requests approval for a Council administered Community-Led Housing (CLH) Seed Funding Scheme of £100k. The funds for this would come from the £437,361 awarded to the Council by the Ministry for Housing, Communities and Local Government's (MHCLG) to promote and support CLH in the district.

Community-led housingⁱ can help to achieve several of FHDC's strategic priorities and constituents' aims and aspirations. The Seed Funding Scheme is intended to support CLH projects that will increase housing supply by potentially delivering additional, new affordable housing and turn empty properties into housing. It is designed to help community groups deliver housing schemes on land identified by the community, or made available by the local authority/local landowners through sale or long leases. The funding would be used by CLH groups to pursue any model of community-led development for the provision of affordable housing, including Community Land Trustsⁱⁱ and Cohousingⁱⁱⁱ Projects.

REASONS FOR RECOMMENDATIONS:

The funding of £437,361 was awarded by central government, with the intention that a seed funding programme would be put in place, alongside other support provision, to enable community organisations to have access to an initial income stream, which will allow them to explore local housing needs, and later possibly pursue housing options/solutions for their community. The proposed Seed Funding Scheme is intended to support new CLH projects in the district.

RECOMMENDATIONS:

Cabinet is asked to approve the following recommendations:

a) To receive and note this report.

- b) To approve the proposed CLH Seed Funding Scheme as detailed in this report and the required funding.**
- c) To give delegated authority to the Strategic Housing Lead and the Cabinet Member for Housing to award funding to groups following a successful application.**
- d) To agree that the Cabinet Member for Housing has delegated authority (in consultation with Head of Service) to make minor changes to the scheme as necessary and subject to any feedback from community groups applying to the scheme.**

1. BACKGROUND

- 1.1. On 23rd December 2016 the MHCLG announced £60m Community Housing Funding to support community-led development and provided it to 148 local authorities to help in areas where, in their view, the impact of second homes is particularly acute, or where housing is unaffordable for local people. FHDC was awarded £437,361 to deliver a community led housing support programme.
- 1.2. There are no conditions attached to the awarding of the funding, although there is routine monitoring of expenditure and outcomes.
- 1.3. CLH projects are driven by community groups who want to deliver a specific housing project to meet local need, inclusive of their own homes. The group can work independently or in partnership with the local authority, landowner, housing association or a small builder. The projects can be new build homes, or conversion or refurbishment of existing buildings and include a variety of tenure including shared ownership, affordable rent, and market sale. The groups would have to evidence a need for the type of CLH project they want.
- 1.4. Homes England are keen to see schemes that are innovative in terms of design, low environmental impact, delivery, management, tenure, funding and location.
- 1.5. Capital funding is available from Homes England through the Affordable Homes Programme as grants and loans, providing the required criteria is met. Alternatively projects may source capital funding from elsewhere (such as a mortgage).
- 1.6. Support for CLH Groups will be provided from within the Housing Strategy Team, and through joint working with other neighbouring local authority CLH leads, as well as through established agencies such as Community Led Homes UK and the Confederation of Cohousing.

2. PROPOSED WAY FORWARD

- 2.1. The proposed budget for the Seed Funding Scheme is £100k, sourced from the £437,361 of funding awarded by the MHCLG.

The programme aims to support local people who want to start their own community led housing projects including co-operatives^{iv}, cohousingⁱⁱⁱ and self-help housing^v by:
 - Raising awareness, engaging communities and organisations ensuring that its reach goes to the wider community beyond those already involved setting up their own group/organisation
 - Providing support throughout the process to community led housing project and group
- 2.2. First stage seed funding (up to £3000) can be used towards costs of formalising the community group as an organisation, attend training and events, undertake initial research, visits to other CLH projects, costing the project and identifying a potential site.

- 2.3. Second stage seed funding (up to £10000) to cover project specific costs such as professional support, (architects & designers) feasibility studies, developing a business case, planning applications, and help to prepare the applications for capital funding to appropriate schemes.
- 2.4. The application process and eligibility criteria for both stages are set out on the FHDC Community Led Housing (CLH) Seed Funding Scheme Eligibility, Terms & Conditions (Appendix 1 of this report) and there is an application form that must be completed for all submissions.

3. RISK MANAGEMENT ISSUES

A summary of the perceived risks to the Council is shown below:

Perceived risk	Seriousness	Likelihood	Preventative action
The possibility that a community organisation that receives funding may not progress on to the next stage and their project fizzles out due to lack of commitment and/or agreement amongst members.	Medium	Low	The proposed seed funding initiative includes a clear criteria that all applicants must meet. Each applicant group will be required to go through the application process.
The potential misuse of funding by groups.	High	Low	Any project to receive funds will also be provided with officer support to take their project forward and they will have to complete a six monthly monitoring form to inform on how the funding has been spent and how the project is progressing.

4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

4.1. Legal Officer's Comments

There no legal implications arising directly out of this report. Any seed funding awarded to CLH groups will have been through due diligence as

part of the application process, in which advice from Legal Services will be sought if deemed necessary.

4.2. Finance Officer's Comments

Financing the £100k scheme will be covered by the £437,361 of funding awarded by the MHCLG. There are no direct staffing implications. The Housing Strategy & Initiatives Officer will provide support and guidance for the CLH groups. The Officer will also undertake the due diligence process of funding applications submitted, preparing a report for the Strategic Housing Lead and the Cabinet Member for Housing, advising on the viability of projects that have applied for funding.

4.3. Diversities and Equalities Implications

Involvement in projects requires free time and the obstacles low-income or marginalised groups face across wider society apply here too. However, this has not put off a wide range of people from getting involved in the CLH projects going on all around the country. It has been noted in many reports and on CLH group websites that CLH organisations around England are very diverse, often more so than many developer or housing association boards.

Please see points 6, 7, 8 & 9 of the Equality Impact Assessment in Appendix 2 for more information relating to the above.

4.4. Climate Change Implications (AT) *[Pilot reporting period]*

There are no climate change implications arising directly from this report. The seed funding scheme will provide resources for community-led groups to explore best practice, undertake training, agree policies, procedures and governance structures and identify suitable plots for development.

If community-led organisations take projects forward for development then the long-term implications are likely to be neutral to positive for emissions from construction, energy use, waste generation, water consumption and social and economic impacts, depending on the particular objectives of the group undertaking the build.

Any community-led housing scheme would have to meet planning policies and building regulations in place at the time; however a technical paper, produced for DCLG (now MHCLG), notes that custom and self-build projects can have positive environmental impacts due to the capacity of 'early adopters' to:

- Build new communities that put community-building and social and environmental values at the heart of the project; and
- Bring about a critical mass of collective sustainable behaviours and patterns of consumption to achieve lifestyles with lower environmental impact.

Examples of community-led housing include a scheme in Lancaster built on ecological values with new homes achieving Passivhaus standards, meeting the requirements of Code for Sustainable Homes Level Six.

5. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

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The following background documents have been relied upon in the preparation of this report:

Appendices:

- Appendix 1: FHDC Community Led Housing (CLH) Seed Funding Eligibility, Terms & Conditions
- Appendix 2: Equality Impact Assessment for FHDC Community Led Housing (CLH) Seed Funding Scheme

Endnotes

ⁱ **Community-Led Housing (CLH):** There is no statutory definition of CLH and it can take a variety of forms. It is the process of meaningful community engagement and consent, rather than the built output that sets community-led housing apart. CLH sector bodies have adopted these defining principles:

- Meaningful community engagement and consent occurs throughout the development process. Communities do not necessarily have to initiate the conversation, or build homes themselves, though many do.
- There is a presumption that the community group or organisation will take a long-term formal role in the ownership, stewardship or management of the homes.
- The benefits to the local area and/or specified community are clearly defined and legally protected in perpetuity.

So long as it follows these principles, CLH can produce a host of different housing types and tenures. It can be homes for families, working people or older people; blocks for multiple occupation; sheltered housing; housing for rent, owner-occupation, shared ownership; and anything in between or beyond. It can be delivered through different routes, from self-build through to working in partnership with a housing association or developer.

ⁱⁱ **Community Land Trusts (CLTs):** CLTs are legal entities set up to develop and manage homes and protect assets of community value including affordable homes, workspace and green space. CLTs use legal structures such as covenants to provide long-term affordable housing, often by linking prices to local income or setting prices at a proportion of market rate.

ⁱⁱⁱ **Cohousing:** Cohousing communities are organised to foster mutual support, drawing on the skills and resource of residents to contribute to life in the scheme. In most schemes, each household is self-contained, but residents come together to manage communal areas and share decision-making through a legally defined arrangement.

^{iv} **Co-operative and mutual housing:** In housing co-operatives, homes are managed and/or owned by members of the co-op. Residents are required or encouraged to become members and participate in management and decision-making. Co-operatives are similar to cohousing in focusing on mutual support, cohesion and communal activities.

^v **Self-help housing:** Self-help housing involves a group of people repairing and bringing empty properties back into use, usually with the help of volunteers. The model was popularised under the Empty Homes Community Grants programme, which saw 1,297 affordable homes refurbished.

Appendix 1



FHDC Community Led Housing (CLH) Seed Funding Eligibility, Terms & Conditions

Overview

Folkestone & Hythe District Council (FHDC) have been allocated funding from the Ministry of Community, Housing & Local Government (MCHLG) to promote and enable community & cohousing projects. This funding is available to community groups in the form of grants to support the development of Community-Led Housing (CLH) projects in the district to deliver new affordable homes to local communities.

Funding can be used for costs associated with setting up a group, such as training, carrying out consultation to gauge public opinion, or as a contribution towards fees in connection with the progression of a development, site survey costs, architect fees or planning application fees. Also to pay for training and/or professional help to apply for/access capital funding for the purchase or lease of land and the build costs.

What the scheme cannot fund:

Applications for funding not directly connected with the delivery of new affordable homes through a community led project are not eligible. Funding will also not be provided for schemes that are likely to proceed without funding, or schemes that would be delivered by the market on a commercial basis. If funding is requested for a scheme on a site developed as market housing, the homes receiving support must be additional to any that would be delivered under the S106 agreement^y.

Funding will also not be provided to reinstate a cut in service or activity arising from an earlier policy decision of FHDC or other public body; finance ongoing yearly spending commitments; support the mainstream activities of a community or voluntary organisation; submitting retrospective applications (i.e. it is not permitted to purchase an item and then submit an application for funding); benefit individuals or privately owned businesses.

The key characteristics of a Community Led Housing project are that:

- The local community must be involved in making key decisions throughout the project.
- The community organisation must play a long term role in ownership, management or stewardship of the homes.

- The benefits to the local area and/or specified community must be clearly defined and legally protected in perpetuity.
- The homes provided will be genuinely affordable and occupied by people unable to meet their housing needs in the private market.
- They can include communal facilities such as a resident's lounge or a shared kitchen and/or garden space, allotments etc.

Eligible Organisations

The community group or organisations selected to receive grants will normally be not-for-profit due to their structure such as:

Registered Charities	Social Enterprises
Companies Limited by Guarantee	Constituted Community Groups
Community Benefit Societies	Community and voluntary groups with an appropriate governing document (see guidance here: https://www.gov.uk/guidance/how-to-write-your-charitys-governing-document or https://www.resourcecentre.org.uk/)
Co-Operatives	
Community Interest Company (CICs)	

They may already be in existence and were established to further the social, economic and environmental wellbeing of local people or a community, or they may be in the process of setting up specifically to solve a local housing need. Any surpluses (profits) generated by the organisation may only be used to benefit the organisations community work.

The Council will ask community groups/organisations to upload their governing document/s to check that the organisation is eligible to apply. If the group is an unincorporated organisation this may be a simple constitution which states the aims of the group, who can become members, how the community will benefit, and how any funding or income generated will be used to benefit your defined community. Registered providers, town or parish councils can apply, in partnership with a community group or organisation, as the fund-holder (see Appendix 1).

Eligibility Criteria

Applicants must:

- Be based within the Folkestone & Hythe District.
- Have a constitution that sets out the group's aims, with how and what it plans achieve.
- Have a bank account that requires at least two unrelated people to sign. Grants cannot be paid to a bank account in the name of an individual.
- Intend to develop a CLH project that will increase the affordable housing supply in their community and deliver value for public money.
- Be planning to deliver additional housing to that which would have been delivered through other means.

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- Be able to provide match funding of at least 10% towards the cost of developing the community housing proposal, which can be made 'in kind', such as time spent working on the project.

Funding Tiers, Applications and Payments

There are two funding tiers which can be applied for and a group can apply to one or both tiers, if necessary, as a project progresses. Both tiers have a separate criteria as set out below. Tier 1 grants can be paid in advance or the council may choose to pay grants in stages depending on factors including the size of the grant and the nature of the activities the grant is to cover. Tier 2 grants will normally be paid in arrears, on receipt of a completed payment request with evidence of incurring the expense such as an invoice. However, Tier 2 applicants can request up to 50% of the grant to be paid up front if cash flow is an issue. Payment options will be discussed and assessed on a case by case basis with successful applicants as appropriate.

Applications should be made using the prepared Seed Funding Scheme Application Form. [Insert link to form on website](#). The application must be completed by an authorised representative of the group applying for the funding and all sections of the form must be completed, explaining what the grant will be used for and include supporting evidence to show the cost of each item listed. Completed forms should be emailed to communityledhousingt@folkestone-hythe.gov.uk

Tier 1 Funding Criteria

Tier 1 grant awards can be from a minimum of £500 up to the maximum of £3,000 and applications can be submitted at any time. The decision whether to approve the grant will be by the Cabinet Member for Housing with officer support.

Tier 1 funding is to cover early stage set up costs such as:

- Community consultation (room hire costs, publicity materials, printing etc.).
- Travel costs to visit other projects/schemes.
 - Standard Class Rail fares
 - Car Mileage should be claimed at 45 pence per mile (sharing where possible). Motorcycle Mileage should be claimed at 24 pence per mile.
 - Overnight accommodation £90 maximum per night (£120 maximum London)
- Relevant training courses for volunteers or staff.
- Costs associated with peer mentoring support from experienced community-led groups.
- Volunteer expenses
- Public indemnity insurance for your group
- Developing your group's website (up to £500).
- Legal fees for incorporating your group, reviewing your group's existing legal structure.

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- Professional fees (surveyors, architects etc.) to complete required specialist studies such as housing needs assessments, site assessments, site/building surveys and valuations, ecology surveys, and develop outline scheme designs for housing etc.
 - Staff time – both new and existing staff to work on the community led housing project (existing staff will need to show that their hours are in addition to current responsibilities or some of their existing responsibilities are being back-filled).

Tier 2 specific criteria

Tier 2 grants are for more developed projects that have identified one or more potential sites for their CLH project. These grants can be from a minimum £1,000 up to the maximum of £10,000 and applications can be submitted at any time. They must be able to demonstrate that they have a reasonable chance of delivering the project; for example by providing an expression of interest from the landowner/s.

Applicants must provide details of what the grant will be spent on and include evidence with their application of the costs of each item listed. They must set out the benefits to the local area and/or the specific community and must show how these benefits will be legally protected in perpetuity. Additionally they must show how the group will engage with the wider community throughout the development process, and their commitment to playing an ongoing role in the development. This can take a number of forms:

- The group or organisation can directly own, manage or steward the homes either alone or with a partner/s (such as an arrangement with a Registered Provider that owns the freehold or leasehold for the properties)

The decision whether to approve the grant will be by a panel set up for the purpose, which will include the Cabinet Member for Housing with officer support (see section on Application and Decision Process below).

Tier 2 funding is to support development of established projects and can cover a wide range of activities such as:

- Developing a business case, feasibility & design work
- Further training and capacity-building, paying for professional input
- Business planning, project management, architects fees, legal fees
- Planning applications and applications for capital funding for the project

Public Liability

Please consider carefully the activities you will be undertaking throughout your grant funded project, and whether any of the activities pose a risk to members of your organisation, or the public. Remember risk can take many forms – injury, financial loss, reputational damage, etc. If you feel there is risk in any activities you will undertake, you will need to consider whether insurance is required, an insurance broker or financial adviser will be able to give guidance on this. You may wish to include the cost of public liability insurance as part of your application.

Application Assessment & Seed Funding Award Decision Process

Once an application is received it will be reviewed by the lead Council Officer for CLH to ensure that it meets the criteria and includes all the necessary information. If required, further clarification will be sought from the applicant. Any applications not complying with the terms and conditions of the scheme will not be considered.

When it is confirmed that an application is complete, and all required accompanying information has been received, the lead Officer will compile a report with recommendations for the Cabinet Member for Housing, Senior Housing Management Officers and any panelists as required, who will then decide whether to award the funding.

The Council will aim to make a decision and notify the applicant within 28 days of receipt of all the information and completed application form. If the Council requires an extension period the applicant will be informed. Each application will be assessed on its merits and success in Tier 1 does not guarantee a Tier 2 application will also be successful.

Decision notices for successful applications will be signed off by the Cabinet Member for Housing, and will be published on ModGov.

When assessing grant applications, the following factors will be considered:

- Is the group community-led?
- Is there community engagement & support for the project?
- Is there a clear housing need identified?
- Is the project aiming to provide permanently affordable housing for the community?
- Is all the proposed expenditure eligible?
- Are the project costs reasonable and do they add up?
- Feasibility of the proposal, and deliverability - the likelihood that the project will be delivered within the forecast, or reasonable, timeframe.
- Value for money - for example any match funding, amount of grant per home or per person housed.
- Quality and Innovation of the proposed development.
- If the application is requesting funding to pay for professional consultation and/or support, does the chosen advisor/service have the relevant experience to support the group/project?

Note: The decision whether or not to provide funding rests with the Council and there will be no right of review.

Monitoring and Evaluation

Applicants will make available copies of all receipts and invoices relating to the grant to the Council's Officer overseeing the CLH Seed Funding Scheme. The Council reserves the right to inspect goods, works and/or services purchased using funding from the CLH Seed Funding Scheme.

Successful applicants must provide a completed CLH Seed Funding Scheme Monitoring Form to the Council six months after receiving the grant and every six months after that until the project is completed. Failure to provide the monitoring form may make the applicant ineligible for further financial support and potentially require the applicant to repay the grant and costs incurred in accordance with clause 6 below. Officers will keep appropriate records of the funding approved and expenditure incurred by the Council and contact successful applicants every six months to monitor progress.

Changes to the Project and /or Expenditure

If, following the awarding of funding, the successful community group/organisations needs to make a change to the expenditure that was proposed in the original application, they must inform the Council in writing in advance, setting out the details of the changes, and must receive written approval for the changes from the Council prior to going ahead with the changes.

Compliance with the Council's financial procedures

1. The applicant must retain any relevant receipts in line with the Council's financial procedures. The Council reserves the right to inspect the original copies of evidence of expenditure (e.g. receipts).
2. Spending under this scheme does not classify as a supply to the Council and therefore it is not possible to reclaim VAT on this expenditure.
3. Any irregularity or suspected irregularity involving Council funds, property or other assets must be reported immediately to the Council's Chief Financial Officer.
4. Any applicant who has had a criminal conviction in the last five years or is under investigation for any misdemeanor must declare this and this may at the exclusive discretion of the Council disqualify them from funding. If this applies please indicate this in the relevant box application form.
5. If there is found to be any misrepresentation in the Application Form or any breach of these terms and conditions, it may at the exclusive discretion of the Council result in requirement on the applicant to repay to the Council all or part the grant, including all costs, losses, expenses and/or liabilities howsoever incurred by the Council.
6. Should the project not go ahead for any reason, the applicant must inform the Communities Officer as soon as possible and return any outstanding grant funding to the Council so that it can be reallocated to another project.

Publicity

The Council will publish information regarding CLH grants on the Council website and in the Grants Register. Applicants are encouraged to publicise projects that are supported, in whole or in part, by the CLH Seed Funding Scheme.

Equality and Diversity

The Council will adhere to its equality and diversity responsibilities in administering this scheme.

Appendix 1

Fund-holders

What does a fund-holder do?

A fund-holder takes responsibility for the legal and financial management of a grant given to a particular project. The fund-holder will act as an accountable body and will receive the funding grant from the Council, will hold and administer grant funds on behalf of unincorporated Community-Led Housing groups, and are legally responsible for the proper use and management of the funds.

What is required from a fund-holder?

- The fund-holder must be solvent and have proven competence and experience in administration and financial management.
- It must be a legal entity.
- Must have effective systems of management to deliver projects.
- Be able to monitor project performance.
- Must be incorporated.

An agreement needs to be put in place between the fund-holder and the grantee stating that the grant can only be used by the grantee and for the purpose approved by the Council CLH Seed Funding Scheme.

The grant cannot be used to pay the fund-holder an admin/service fee.

Who can act as a fund-holder?

Any legal entity that meets the above requirements can act as a fund-holder. For example, these may be:

- Principle Authorities
- Charities
- Community Interest Companies (CICs)
- Charitable Incorporated Organisations (CIOs)

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- Parish/Town Councils
 - Registered housing cooperatives
 - Housing Associations.

What is the fund-holder responsible for?

The fund-holder will hold any grant monies it receives from Folkestone & Hythe District Council (FHDC), and will act on instructions given by the group delivering the project (or the grant recipients), as long as they are in line with the grant offer.

- The fund-holder needs to ensure that all payments from the grant monies are permitted expenditures and are in accordance with project specification and grant offer.
- The fund-holder will return any grant that is not spent to FHDC.
- The fund-holder must keep money from the grant in a bank account that has at least two authorised signatories, who are unrelated and live at separate addresses. Money from the account should not be moved or converted to cash, it is solely for the payment of expenses incurred in relation to CLH activities set out above.
- The fund-holder is responsible for ensuring the grant recipients are using the grant monies in accordance with the grant offer and should also report any failures in observing the grant offer to FHDC as soon as they become aware of a breach.
- All fund-holders will be requested to sign up to acknowledge the full Terms & Conditions of the grant via the grant application form.
- The fund-holder will allow FHDC Officers access to all files/records of the project to which they are the accountable body, if a full audit is required.

Appendix 2

Equality Impact Assessment Templates

Quick Guidance Notes

Stage 1. Screening Stage

Stage 1 of the template is classed as the Screening Stage. This should always be completed. **Remember it should be an integral part of policy development not a last minute thought.**

At this stage you should be assessing obvious negative/positive impact or gaps in knowledge about likely impact. It should be a relatively short process which makes use of any previous consultation results, any differences in user satisfaction among groups, personal knowledge and experience, research, reports, existing equality data about service usage, internet searches, internal and external specialist advice, employees with previous experience of similar work, known inequalities etc. **If the likely impact on a particular group is unknown, then action should be taken to acquire this information.**

If the impact is positive (i.e. the outcome will benefit an Equality Group) then no further action is required. If no positive or negative impacts are identified then no further action is required. If the activity has the potential to cause adverse/negative impact or discriminate against different groups in the community it will require a full impact assessment (Stage 2).

In some cases it might be easy to put in place simple adjustments to eliminate any negative impact while you are working through the screening process, especially if you already have clear evidence/consultation and the process is an integral part of your policy development. It should only be done if you are absolutely confident that no other impact will be identified. If you choose to do this you should clearly document the reasons/evidence and put in place monitoring to ensure action is taken if unanticipated impact occurs.

Stage 2. Full Equality Impact Assessment Report

Stage 2 of the EIA process guides officers through the full impact assessment process, ensuring that research/consultation with relevant equality groups has been carried out and leads to an action plan aiming to minimise the negative impact/s.

Consultation involves engaging with representatives from equality groups who are likely to be affected by the activity. It could involve engaging with employees and Members, trade unions, other public bodies, voluntary and community groups. It is important to ensure sufficient time and resources are dedicated to the consultation process to encourage full participation. You should refer to the Consultation Toolkit to ensure your consultation follows good practice. The Focus system should also be used and is able to give you information relating to other consultation activities across the council as well as existing groups/volunteers you may be able to access.

Take a Proportionate Approach

Your approach to assessing the equalities impact of a policy, strategy or service should be proportionate to the likely impact it will have. Issues you should consider include:

- the number of people likely to be affected
- the size of the budget/amount of money involved
- the extent of the proposed change
- wider public policy implications

This means you will assess more rigorously policies which are likely to have a significant impact on the local community.

Additional guidance notes to help you through the process are available in the Equality Impact Assessment Guidance Document.

Stage 1 and 2 Equality Impact Assessment Templates

Directorate: Housing & Operations

Service: Housing Strategy

Accountable Officer: Kimba Layton

Telephone & e-mail: Kimba.layton@folkestone-hythe.gov.uk

Date of assessment: 1st February 2021

Names & job titles of people carrying out the assessment: Kimba Layton

Name of service/function/policy etc.:	Community-Led Housing Seed Funding Scheme
Is this new or existing?	New

Stage 1: Screening Stage

1. Briefly describe its aims & objectives

The Ministry for Housing, Communities and Local Government's (MHCLG) has awarded £437,361 to FHDC to promote community-led housing (CLH) schemes and to support them with seed funding grants. Big developers are set up to deliver large schemes and there are many smaller sites (perhaps about 0.25 hectares) that could possibly be used for housing. Bringing communities and smaller builders back into the mix is critical to delivering homes in spaces less desirable to mainstream developers. CLH Projects lend themselves to smaller, complex or contentious sites and there is a recognised value of community-led approaches in delivering homes and the integrated social value outcomes.

Subject to approval, the council has established an Eligibility, Terms & Conditions document in relation to the Seed Funding scheme as a guide to who

can apply and how the funding should be allocated. It is envisaged that the seed funding will be used to support community groups who require financial and/or officer support to investigate, develop and deliver their own community-led housing project. The seed funding could potentially be used to fund the cost of initial advice, steering group support and community consultation, incorporation, training, visits to other CLH projects, setting up a website, viability, predevelopment costs and construction costs.

2. Are there external considerations? (legislation/government directive etc.)

The Localism Act laid the groundwork for CLH in 2011. The four main political parties either have, or are proposing, policies that support CLH and small scale builds. Other relevant legislation are the Neighbourhood Planning Act 2017, the Self-Build and Custom Housebuilding Act 2015 and the Housing and Regeneration Act 2008.

In 2016 the Government provided a highly significant injection of capital and revenue funding of £60 million to support CLH in England, spread over a five year period until 2021. A further £163m for CLH was rolled out in 2018. Homes England has advised that going forward there will be no separate fund for CLH and capital funding for these housing projects will be available through the Affordable Homes Programme 2021-2026. Capital funding could be provided in other ways, such as through a mortgage from a specialist provider like Ecology Building Society, which would be paid back via the affordable rents charged; or through selling community shares.

Planning and CLH can be mutually supportive. CLH is an opportunity to meet National Planning Policy Framework duties requiring authorities to:

- Deliver social, economic and environmental benefits through development
- Meet a range of local housing needs
- Engage communities in development decisions
- Meet statutory requirements for self & custom-build housing.

CLH projects can aid planning committee decisions, enabling development on tight infill sites.

3. Who are the stakeholders and what are their interests?

The key stakeholders are co-housing and co-operative housing organisations, community land trusts (CLT), self-help housing groups, local communities and community groups. Also the Local Authority, land owners, small building firms, local architects and housing associations.

The seed funding is intended to directly benefit community groups and their local community to bring forward and deliver housing projects that will meet their own and their communities identified housing need.

4. What outcomes do we want to achieve and for whom?

To support local community groups who would like to take forward a housing project for themselves or their community, which will benefit the local community, and help make it happen. To not only see the realisation of independent CLH projects but also see CLH being included as a component of larger schemes, such as Otterpool. CLH has the potential to transform estate regeneration, empowering people, developing structures for long-term resident involvement and rebuilding trust.

Future of London published the report “Foundations For Community-Led Housing” in November 2019, which found that the following demonstrable social values have been realised through the delivery of successful CLH projects:

The building social networks - People working on CLH come together around sites, issues or interests and develop strong local connections, which boosts cohesion, combats loneliness and isolation, breaks down barriers, perceived prejudices, as well as improves mental health and wellbeing.

The strengthening of skills and capacity - The process of developing and managing a community housing scheme to fruition requires a huge array of ‘soft’ skills including project management, community organising, strategising, fundraising, research and building partnerships. Where groups undertake some of the labour, they also learn ‘hard’ skills such as carpentry, brick laying and tiling. For both, there are many examples of volunteers translating their experience into employment.

Empowerment and democratic control – This is fundamental to the process. CLH is a process by which people develop and exercise agency, by undertaking a task that will benefit others too. The degree of management responsibility residents take on varies, but they have security and a meaningful say in future decisions.

Attention to design quality and higher standards of environmental performance and innovation - It has been observed that when people have had a say in the design of their homes, considerations such as energy performance and sustainability often factor more centrally. In Bristol, a 1.4-hectare site was transferred to Bristol CLT by the council so they could build an ‘exemplar development’ of highly energy efficient, 100% affordable homes.

A Focus on design quality - CLH tend to prioritise indoor and outdoor communal space; co-design processes are often used to suit features to the end user. Also when the community are involved in housing projects they often compromise on space or use it more creatively by having a communal garden and kitchen etc., which also keeps people in contact with each other regularly.

Ensuring a long-term interest and benefits for the community - Engagement doesn’t end when the keys are handed over. CLH groups have a long-term interest in the housing they built, which extends into ongoing operations and building maintenance. This impacts on the community in an ongoing way reducing ASB and crime etc. Projects can play an important role in the life of the surrounding neighbourhood. There are multiple examples of CLH

groups setting up events and festivals, running workshops, providing training and space for their local communities.

The creation of supportive neighbourhoods and communities - While planning consultations can be adversarial, outreach around CLH has potential to create a more open conversation about why development might be needed, what benefit it offers the community and what form it could take. Research published by Grosvenor^v found just 2% of the public trust developers and only 7% trust local authorities when it comes to large-scale development. The community-led approach has seen less opposition to their house building projects than traditional house building schemes.

5. Has any consultation/research been carried out or relied upon?

Yes

Future of London published the report “Foundations For Community-Led Housing” in November 2019. The learning programme that took place to gather information for the report brought together people from the public, private and third sectors. Their expertise and experience, combined with desk-based research and interviews, formed the final report which includes:

- An overview of community-led housing and how it is being delivered, covering best practice in partnerships and planning, access to land and funding.
- Case studies showing effective ways of delivering projects
- Recommendations for policymakers, CLH groups and built environment practitioners
- Signposting to additional resources.

Future of London’s core partners for the report were Community Led Housing London, Igloo Community Builders and Pollard Thomas Edwards, Legal & General and the Bartlett Real Estate Institute.

EXAMPLE: One of the best-known examples of community-led housing is Older Women’s Cohousing (OWCH). Concerned about loneliness and limited housing options available for older people, a group of six women formed OWCH for women over 50. The group said that gaining specialist knowledge, such as site assessment and design briefs, was a “liberating and powerful experience”. The design team involved insists that the collaborative process between the architects, OWCH and contractors did not add time or cost to the housing delivery. The result is 25 owners and tenants living in 17 leasehold and eight social-rent flats. Each person has a self-contained flat and shares a common room, guest suite, garden, food-growing area and laundry. OWCH relies on a varied skills base, from finance to food growing, and members talk passionately about inclusivity, including gender, ethnicity, background, ability and skills as well as age. OWCH now supports others, their website offers a wealth of resources.

6. Are there any concerns at this stage which indicate the possibility of inequalities/negative impacts? (Consider and identify any evidence you have - equality data relating to usage and satisfaction levels, complaints, comments, research, outcomes of review, feedback and issues raised at previous consultations, known inequalities) If so please provide details.

Involvement in projects requires free time and the obstacles low-income or marginalised groups face across wider society apply here too. However, this has not put off a wide range of people from getting involved in the CLH projects going on all around the country. It has been noted in many reports and on CLH group websites that CLH organisations around England are very diverse, often more so than many developer or housing association boards.

There is always the possibility that a community organisation that receives funding may not progress on to the next stage and their project fizzles out due to lack of commitment and/or agreement amongst members; or projects could go on to misuse the funds.

Any project to receive funds will also be provided with officer support to take their project forward and they will have to complete a six monthly monitoring form to inform on how the funding has been spent and how the project is progressing.

To date no complete CLH project or any communities in the near vicinity of a complete CLH project has reported experiencing negative impacts or any issues relating to inequalities.

7. Could a particular protected characteristic be affected differently in either a negative or positive way? (Positive – it could benefit, Negative – it could disadvantage, Neutral – neither positive nor negative impact or Not sure?)

Group	Negative	Positive	No Impact	Unclear
Disability		X		
Race (including Gypsy & Traveller)		X		
Age		X		
Gender		X		
Transgender		X		
Sexual Orientation		X		
Religion/Belief		X		
Pregnancy & Maternity		X		
Marriage/ Civil Partnership Status		X		

Disability		X		
Rural communities		X		

8. Could other socio-economic groups be affected e.g. carers, ex-offenders, low incomes?

Group	Negative	Positive	No Impact	Unclear
Carers		X		
Ex-offenders		X		
Low-income households, areas of deprivation		X		

9. Are there any human rights implications?

None

Getting involved in a CLH project is a choice, and groups do not purport to be representative of their areas or interest groups. CLH projects who provide housing for their wider local community use allocation policies to allocate properties to members; and they are usually open to accepting an agreed number of council nominations to those households who are willing to sign up to their vision and values, as well as the collective responsibilities of looking after and managing the scheme.

All decisions relating to these schemes are made through community consultation and collective and inclusive discussion with group/organisation members.

10. Is there an opportunity to promote equality and/or good community relations?

Yes

The positive impact that CLH can have on communities and the individuals involved is set out above. However, there are further opportunities to link CLH projects with other work such as the development of social enterprise schemes and Housing First projects, which is why it is important to get the FHDC CLH Seed Funding Scheme approved and set up.

Other CLH groups have enlisted the assistance of social enterprise schemes set-up to provide training and employment in the building and decorating industries. As part of the Homelessness Prevention Strategy there is an aim to explore the development of one or more social enterprise schemes to offer training and employment to households that repeatedly experience being homelessness or threatened with homelessness because they are unable to

sustain tenancy and/or employment. There are several social enterprise schemes that have become very successful, such as The Clink Charity^v. It may be possible that a social enterprise scheme, a CLH project and a Housing First project could all be interlinked in some way so that skills are shared and swapped. If this were successful then over a period of time the impact on the community and town centre could be very positive, reducing street population, drinking and substance misuse in public places and shoplifting, as well as improving employment prospects and the aspirations of low income households.

11. If you have indicated a negative impact for any group is that impact legal? (not discriminatory under anti-discrimination legislation)

N/A

12. Is any part of this policy/service to be carried out wholly or partly by contractors?

No

Please note that normally you should proceed to a Stage 2: Full Equality Impact Assessment Report if you have identified actual, or the potential to cause, adverse impact or discrimination against different groups in the community. (Refer to Quick Guidance Notes at front of template document)

13. Is a Stage 2: Full Equality Impact Assessment Report required?

No

There have been no identified negative impacts of CLH Seed Funding Scheme and therefore it is envisaged that a Full EIA report is not required. How the funding grants are used and the progression of projects funded will be monitored by the Housing Strategy & Initiatives Officer, recording hard and soft statistics as well project expenditure, actions and outcomes. All projects funded will be asked to complete a six monthly monitoring form.

14. Date by which Stage 2 is to be completed and actions

N/A

Please complete

We are satisfied that an initial screening has been carried out and a full impact assessment **is /is not required*** (please delete as appropriate).

Completed by: Kimba Layton **Role:** Housing Strategy & Initiatives Officer **Date:** 01/02/2021

Countersigned by Head of Service: Adrian Hammond

Date: 1 June 2021

Please keep the signed hard copy with your team for auditing purposes and forward an electronic copy to leadership.support@folkestone-hythe.gov.uk so that it can be published.

Stage 2: Full Equality Impact Assessment Report

15. Summarise the likely negative impacts for relevant groups identified in the screening process (Refer to Stage 1, Questions 7-8, start to think about possible alternatives)

16. What consultation/involvement activities have taken place or will need to take place with groups/individuals from each relevant protected characteristic or equality group? (refer back to Stage 1, Question 5)

17. What other research has been or will need to be carried out to help you with the assessment?

18. Results of research/consultation (what does it tell you about the negative impacts?)

19. Conclusions & Action Planning

You should explain what and how negative impacts have been reduced or removed and how positive impacts are to be improved or included.

Your final decisions or recommendations may include making immediate changes, stopping or proceeding with a new policy, justifying a decision or adding objectives/targets to the service development plan/equality scheme (long term changes).

You could use the template below to record your conclusions/actions. You should also make reference to any additional monitoring or research that is still required, or was not retrievable at the point of assessment, but will be required in subsequent reviews or in order to complete actions.

Impact/Issue	Action/Objective/Target or Justification	Will this remove negative impact?	Resources	Lead Officer & Timescale

20. How will you monitor, evaluate and check the policy in the future?

21. When will a review take place?

Please complete

We are satisfied that a full impact assessment has been carried out.

Completed by: Role: Date:

Countersigned by Head of Service: Date:

Please keep the signed hard copy with your team for auditing purposes and forward an electronic copy to leadership.support@folkestone-hythe.gov.uk for publication.