

Appendix A Community Led Housing Fund Guidance and Criteria – (2018-2020)

1. About Community-Led Housing

- 1.1 Community-led housing is intended to bring social and economic benefits to local communities through the provision of housing developed by members of the local community with support. The community must be integrally involved throughout the process in key decisions. It does not necessarily have to initiate and manage the development process, or build the homes itself, although it may choose to do so.

2. About the Grant

- 2.1 Mid Devon District Council was awarded £131,359.00 from a Government Fund aimed at helping local authorities to respond to high levels of second home ownership in their areas. Community-led housing includes all types of housing including homes for outright sale, rent and shared ownership
- 2.2 The Community Housing Fund will be available to communities looking to develop new housing and/or purchase, refurbish and bring back into effective use, empty properties. Any funding provided is used to benefit the local area and/or specific community on a clearly defined and legally protected way in perpetuity. Communities will be expected to work with Registered Providers as development partners. However, there may be situations where the community works with another development partner to deliver a community-led scheme.

3. Who Can Apply – Eligibility Criteria

- 3.1 **Community Organisations:** These will be community groups based in communities involved in the development of a community-led housing scheme. Community groups will need to be constituted to receive direct funding. The community group could be an existing charitable trust or development trust or similar body. Examples of community-led housing organisations include Community Land Trusts; Cohousing schemes; housing cooperatives and other similar organisations.

Where a new community group is established to develop a scheme, then funding will be provided to help establish the group.

Communities also have access to a wider range of other grant funding sources, which can assist in the delivery of Community Led Housing

schemes. These grants are not available to Registered Providers or other public sector bodies. Support and advice will be provided to communities both through the Council and specialist advisors on these alternative sources of funding.

3.2 Community Organisations will need to:

- Be a legal entity, or be part of a legally constituted consortia agreement
- Be appropriately constituted (examples might include; a registered charity, community interest company or charitable incorporated organisation, not for profit company or Industrial and Provident Societies for the Benefit of the Community).
- Have stated community benefit objectives
- Be non-profit distributing; any surpluses must be reinvested to further its social aims/community benefits

3.3 Registered Providers: Funding will be provided to Registered Providers who are involved in the development of an identified community-led scheme. Funding for Registered Providers can be in the form of a grant. Funding from the Community Housing Fund for Registered Providers can be made available in addition to funding from the Housing and Communities Agency (HCA) Shared Ownership and Affordable Homes Programme (SOAHP).

3.4 Registered Providers can be involved in a community-led housing scheme in a number of ways. These can range from acting as purely a development partner and providing a design and build service to a community through to leading on the development of the scheme and providing the on-going management of the housing. However, it is essential that whatever role a Registered Provider has in a community-led scheme that the community takes a long-term role in the ownership, management or stewardship of the homes, for it to be a genuine community-led housing scheme.

3.5 Other development partners: In most cases, communities will be expected to work with Registered Providers as development partners. However, there may be situations where the community works with another development partner to deliver a community-led scheme. The Council may provide direct funding to alternative development partners in certain circumstances.

(If you are applying for a Community Development / Set up Grant) Where no constituted body has yet been created, then the Council will accept applications from one of the following:

- The Parish or Town Council for that area;
- The appointed Community Support Organisation; or
- Another agency with strong links to the local community

4. What the grants are for

4.1 Community Development Work: Funding will be used to support community engagement work with local communities to enable them to set up a community organisation and to develop the organisation. Specific community capacity working could include:

- Set up costs for the group including legal structures and governance
- Advising the group on community-led housing models and the most appropriate models and approaches for their community/development
- Any training requirements
- Identifying other funding opportunities
- Assistance with funding applications and other support
- Longer term group and business development
- Any other specialist support

4.2 Initial Feasibility Work: Funding will be allocated to undertake initial feasibility work to identify the potential to develop a community-led housing scheme. Initial feasibility work could include:

- Feasibility studies
- Identifying and assessing potential sites and opportunities, costs and values
- Local Housing Needs Surveys
- Developing the initial project proposal
- Advice on early project planning/management and business plan development

4.3 Project management costs: Project management costs will cover any work undertaken on a specific site prior up to and including start on site of a scheme. This will include:

- All professional costs: Design and Architectural costs, Quantity Surveyor, site surveys and investigations etc.
- Planning fees and any specialist planning advice
- Legal costs

- Procurement costs
- Site Management costs
- Site acquisition
- Any abnormal costs: e.g. contamination, site clearance etc.

4.4 Other costs: The Council will consider use of the fund for specific one-off costs for a particular site, without which the scheme could not be developed or be viable, including gap funding.

4.5 Other organisations: Funding will be provided to other organisations to fund specific pieces of work. These can include funding to consultants for feasibility work, business planning, planning consultants, supporting housing needs surveys etc.

4.6 Items Which Will Not Qualify

The fund cannot be used for the following:

- Any development which does not meet the basic principles for a community-led housing scheme as set out previously
- Any organisation that does not meet the criteria listed previously
- Any development that has already commenced
- Any retrospective costs, which have already been incurred by the organisation

5. How much money can we apply for?

5.1 Amount of Funding to be Allocated

The Council currently has a sum of £131,359 available. The level of funding available in the future will be determined by the amount of grant allocated to the council by Central Government.

There are three grants available:

- Community Development / Set-Up Grant
- Feasibility Grant
- Development Grant

The grant funding available for each stage of a scheme is set out below. This is capped and it is expected that community organisations will also access other funding streams.

5.2 Community Development / Set-Up Grant

Grant funding of up to £3,000 per community (in addition to support from Wessex Community Housing Project) is available to help develop a group to the stage where it is constituted and to undertake initial community consultation. This funding is only available to groups with a clear community focus and an interest in providing housing which meets the needs of their local community.

This funding can support:

- Room hire for meetings and consultation events;
- Housing need survey materials;
- Training requirements;
- Identification of other funding opportunities;
- Fact finding visits to other community-led housing schemes; and
- Secretariat time to support the group;
- Advice on constituting a community-led housing body
- Administrative/legal costs required to set up a group

5.3 Stage 2: Feasibility Fund

Before accessing this fund, community groups will be expected to have been formed and constituted. They must also be able to demonstrate a good level of community support for the project and have clear evidence of the local housing needs that any proposed housing scheme is intended to meet.

In addition, potential site(s) will have been identified that may be suitable for a community housing scheme.

(If the organisation has accessed a Community Development / Set-Up Grant then) A statement of all setup grant expenditure will need to be prepared and 'signed off' by the Council prior to the submission of a (Feasibility grant) application.

Grant funding from £5,000 up to £15,000 per scheme (in addition to support from Wessex Community Housing Project) can be made available to support a feasibility appraisal and to develop a project plan. In exceptional circumstances requests for funding greater than the £15,000 limit may be considered if the applying community can demonstrate a clear rationale why additional funding is required, how it offers value for money and that the

funding cannot be secured by other means. At this stage, the type of work which funding could support could include:

- Feasibility study (this is an essential component of the application);
- Commissioning of a development agent to progress the scheme to a planning application;
- Identification and initial assessment of site/sites;
- Development of project plan, including a financial plan and identification of match funding;
- 'Pre application' planning advice;
- Scheme design including all relevant drawings appropriate for a planning application;
- Preparation of surveys and reports in advance of a formal planning application;
- Identification of any abnormal costs or site specific issues which would require further exploration; and
- Further community engagement.

To access this funding, groups are required to submit an application form (Annex A).

The funding can be used to fund work, reports and surveys that can progress a scheme all the way through to the stage prior to a full planning application. A date for the production of the feasibility study will be agreed with the applicant at the time the application is approved. It should be noted that at least 20% of all costs must be accessed from an alternative source to the Community Housing Fund.

The Council reserves the right to incorporate some of the development costs incurred at this stage into the total scheme costs identified at stage 3.

5.4 Stage 3: Development Fund

Grant up to £15,000 may be available either to top up public subsidy or provide gap funding for capital costs to contribute towards project management costs and construction costs.

Before accessing this fund community groups will be expected to have produced a project plan, have an identified site/sites and a clear understanding of the people (e.g. elderly/young adults etc.) who will benefit from the scheme.

Funding is only available to the following types of organisations:

Fully constituted community groups – the group can be an existing charitable organisation or similar body, social enterprise or set up specifically for this project.

Registered housing provider or non-registered housing association – as long as there is clear community involvement in the scheme (as set out in the policy statement)

6. How we assess applications - What we look for

6.1 Basic eligibility criteria

The applicant must be a legally constituted organisation (see above)

The scheme must clearly demonstrate that it meets local needs (evidence of recent Housing Needs Survey or equivalent)

The scheme must be community-led

For a scheme to be 'community-led' it will need to meet the following criteria:

- The community must be integrally involved throughout the process in key decisions. It does not necessarily have to initiate and manage the development process, or build the homes itself, although it may choose to do so;
- There will be a presumption in favour of community groups that demonstrate in their applications that they are taking a long-term, formal role in the ownership, management or stewardship of the homes; and
- Any funding provided is used to benefit the local area and/or specific community on a clearly defined and legally protected way in perpetuity

6.2 The applicant will also need to demonstrate:

- Strong governance arrangements by operating through open and accountable, co-operative processes, with strong performance and management systems
- Appropriate skills and capacity exist within the organisation, or available to the organisation to undertake the project
- Clear, realistic financial plans for the development of the housing scheme where applicable
- Clear, realistic financial plans for the future management of the housing scheme

- The scheme offers good value for money, in particular that the scheme is accessing other sources of funding and finance (see below)
- Community support for the proposals
- How the organisation will comply with any relevant legislation and statutory requirements

Assessment for a Development Grant will be subject to a more detailed appraisal process, which will include the following, on top of those already listed:

- Deliverability
- Allocations Policy
- How the scheme will be managed and maintained
- Robustness of the business model and financial viability

7. Value for money

7.1 Applications for Community Housing Fund

Applications for Community Housing Fund Stage 1 and 2 funding will need to demonstrate how the group intends to spend the money and provide a breakdown of costs.

Applications for Community Housing Fund Stage 3 funding will require the submission of a financial plan, outlining what revenue and capital support is required. The project plan should also outline what professional support is required to deliver the scheme and how this will be procured.

Community Housing Fund Project Plans will be expected to outline where match funding will be sourced from to make the scheme viable. The Community Housing Fund Group expects groups to demonstrate they have taken appropriate measures to reduce the amount requested from the Fund and will expect evidence that the applicant has considered the following alternative funding streams (where applicable):

Borrowing on rental income; this is capital funding borrowed over the long term, (typically 25 years), using projected rental income streams to service the debt

Sales receipts: this is capital funding secured from the proceeds of projected house sales

Homes England; this is grant made available from the HCA (soon to be renamed Homes England) in accordance with their Affordable Housing funding programmes

Land donations or use of existing community land; this is land offered at 'nil' or below market value

Local authority commuted sum fund; this is capital funding taken from the fund which accounts for financial contributions from developers in lieu of 'on-site' affordable housing

8.0 How to Apply

8.1 Requests for funding

Requests for Community Housing Fund Stage 1 and 2 funding should be sent to the Group Manager (Housing Services) using the appropriate application form (attached at Annex A).

Requests for Community Housing Fund stage 3 funding must be made through a completed project plan covering:

- the legal constitution of the group and the principal contacts
- evidence of community engagement
- a financial plan, identifying the sources of funding for the project
- identification of a site/sites
- a basic site designing indicating the number of types of housing to be delivered through the project
- an outline of who the new homes will be for and how that meets a local need
- what professional support is required to take the project forward and how these professionals will be appointed/procured
 - what role the community group will play once the homes are complete

9. Supporting Documents

9.1 Annex A must contain the supporting documents as detailed in section 8.1

10. How to Submit

10.1 Applications must be sent to the Group Manager (Housing Services) at Mid Devon District Council, Phoenix House, Phoenix Lane, Tiverton, Devon, EX16

6PP. Applications must be supported by the relevant documentation as detail above.

11. What happens after you submit your application

11.1 Requests for **Community Development / Set-Up grant** will normally be considered by the Group Manager (Housing Services) within 10 working days of receipt of the completed application form (unless otherwise agreed) (see Annex A).

Requests for **Feasibility Grant** will normally be considered by the Community Housing Fund Project Group within 30 working days of receipt of the application form (see Annex A). Please note that this may generate further questions or requests for clarification prior to a written decision being sent out to the group to inform them whether they have been successful or not.

Request for a **Development Grant** will also be considered by the Community Housing Fund Project Group following receipt of a project plan. An initial check of the project plan will be undertaken within 10 working days by the Group Manager (Housing Services). Should it be deemed to require further detail, applicants will be notified accordingly and asked to resubmit. Subject to any additional questions or requests for clarification, the group will receive written notification of whether they have been successful or not.

The policy will be overseen by the Community Housing Fund Project Group chaired by the Cabinet Member for Housing that will comprise of:

- Cabinet Member for Housing
- Three Cabinet Members

The group will be supported by the following group after receiving recommendations from

- Group Manager (Housing Services)
- Housing Options Manager
- S151 Officer or designated representative from finance

The Group will meet on a monthly basis to discuss the progress of community groups and consider applications for funding.

11.2 Payment of Grant

11.3 Stage 1: Community development set-up grant

Grant payments will normally be paid following the agreement of the Community Housing Fund Project Group with receipt of grant claim form and invoices for works carried out; payment of grant will be paid after 30 days of being approved. However, it is recognised that some community groups may not yet be fully constituted or have very limited cash resources.

11.4 Stage 2: Feasibility fund

Grant payments will normally be paid on receipt of grant claim form and invoices for work carried out.

11.5 Stage 3: Development fund

Payments from the Development Fund will normally be made on a staged basis as follows:

- 50% to be paid on start on site of the scheme 50% to be paid on scheme completion
- The Council will consider alternative staged payments in certain cases where there may be cash flow issues. However, it is expected that applicants will have sufficient development finance in place to ensure that they are able to manage their cash flow throughout the duration of the project.
- Where the grant funding is being used to provide gap funding, then payment will normally be made to the applicant once that cost has been met by the applicant and upon receipt of evidence of payment of the cost by the applicant.
- There will be no funding available for cost overruns.

11.6 Grant Agreement

Grant recipients will be required to enter into a standard grant agreement with the Council, which will stipulate a number of requirements including:

11.7 Monitoring Arrangements: We will require grant recipients to provide regular monitoring information as per the grant agreement.

11.8 Use of Grant and details of works required: The grant agreement will set clear what the grant can be used for and details of the works required.

11.9 Withholding, suspending and repayment of grant: The grant agreement will also set out the circumstances in which grant may be withheld, suspended or repaid. This will include disposal of the properties within a certain timescale, use of grant for purposes other for which the grant has been awarded etc. This list is not exhaustive and there may be other examples the Council will use its discretion.

11.10 Monitoring and Clawback

Groups awarded Community Housing Fund Stage 1 funding will be monitored by the Wessex Community Housing Project, who will report back to the Community Housing Fund Project Group on a regular basis.

Groups awarded Community Housing Fund Stage 2 and Stage 3 funding will be expected to submit a brief update report at least once every two months. They will also be monitored by the Wessex Community Housing Project, who will report back to the Community Housing Fund Project Group.

The Council reserves the right to seek repayment of any grant awarded, should any homes provided through this programme be taken out of community ownership within 10 years of the completion of the scheme, unless written permission is given by the Group Manager (Housing Services).



MID DEVON DISTRICT COUNCIL
COMMUNITY HOUSING FUND COMMUNITY DEVELOPMENT/SET-UP FUND

PLEASE READ THE CRITERIA AND GUIDANCE NOTES BEFORE COMPLETING THIS FORM
 FOR MORE INFORMATION, PLEASE CONTACT THE HOUSING OPTIONS MANAGER ON 01884 234906

Application for Community Development/Set Up Funds – Stage 1

Name of Existing/Proposed Organisation	
Contact Details/Name:	
Contact email:	
Contact Address:	
Contact Tel no(s):	
Position Held:	
Correspondence Address:	
Organisation Details: Type of existing/proposed organisation	

Organisation bank account? (Please provide bank account name, address, sort code & account number.)	Account Name:	Sort Code:	Account No:
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Are you an established organisation with legal documents to establish that you have legal authority? (For example a Parish Council, Community Land Trust) What is the legal form of the organisation?	
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Scheme Details: Please provide details about your project? (eg What are you proposing to build – how many houses, type of tenure? Why are you seeking support from the Community Housing Fund? How will this help you with your next steps? What will the Housing Fund help you to do which you are not able to achieve otherwise? Is this within a Neighbourhood Plan area?)	
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Funding requirements - Please set out the funding you need to progress this scheme to Stage 2 (Feasibility)	
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Type of funding	Estimated Cost	Details (including name of service provider/consultant/contractor if known)

<p>Have you identified a site? Please provide information (eg condition of the site, current use, the address of the site)</p>	
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<p>Have you carried out any consultation with the wider community about your proposals (not including members of your group)? What level of support or opposition have you received (for example Parish Council, local authority, other local voluntary or business groups.)? We understand that all schemes have their objectors, and detailing any opposition you have had to your proposals will not prejudice your application for support.</p>	
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<p>Have you had any engagement or discussion with a Registered Provider/Housing Association about your proposals? What response have you had?</p>	
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Are you receiving specialist advice about this project (ie Wessex Community Housing Project)? Please provide their name & contact details.

Equalities

Under the Equalities Act 2010 the Council has a legal duty to ensure that different groups are not disadvantaged from applying for or receiving our grants funding. We also want to ensure that people who benefit from our grants programme represents the makeup of the local population.

Please indicate which (if any) of the following groups will particularly benefit from your project and give details where you think this is relevant

- People with physical disabilities
- People with mental health problems
- Older people
- Unemployed people
- People who are gay, lesbian, bisexual or transgender
- People from a particular ethnic background
- Younger people
- Carers

Checklist

- Completed all sections of the application form []
- Provided Bank Account details []
- Provided details of the legal identity []
- Provided details of funding costs []

Declaration

The information you have provided will be used by the Council to assess and process your application and to enable us to contact you about your application. Your information will be held securely within the Council and only passed to others within the Council for the purposes of assessing this grant application. Information will be destroyed in line with the Council's Information Retention Policy.

I declare that, to the best of my knowledge and belief, all the information in this application form is true and complete.

Signature _____

(This can be your group's chairman, treasurer, secretary or equivalent post)

Date _____

Print Name

Position held in group

Enclosures

- Copy of governing document
- Accounts/Bank statement

Return to:

MID DEVON DISTRICT COUNCIL
PHOENIX HOUSE, PHOENIX LANE
TIVERTON, DEVON EX16 6PP

<p>Certification I certify that this funding required is directly associated with the development of a community led housing scheme(s) and that the information contained within this application form is, to the best of my knowledge, accurate and reliable.</p>	<p>Signature:</p> <p>Date:</p> <p>On behalf of:</p>
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If the certification has not been completed by a recognised signatory of the proposed community housing organisation then please indicate the organisation that person represents

Application for Development/ Feasibility fund – Stage 2/3

Name of Existing Organisation	
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Contact Details/Name:	
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Contact email:	
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Contact Address:	
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<p>Organisation Details: Type of organisation: Date of incorporation:</p> <p>(please provide a copy of your constitution or other documentary evidence of your governance arrangements)</p> <p><i>Please note that your organisation must normally have a minimum of 5 members (from different addresses in your community) and have either an open membership policy (or one which has restrictions that help to fulfil its overall aims and objectives)</i></p>	
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Please provide a brief summary of the organisation's aims and objectives:	
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Bank account: (Please provide bank account name, address, sort code & account number.)	Account Name:	Sort Code:	Account No:
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Application for Development/ Feasibility fund – Stage 2 / 3

Declaration

The information you have provided will be used by the Council to assess and process your application and to enable us to contact you about your application. Your information will be held securely within the Council and only passed to others within the Council for the purposes of assessing this grant application. Information will be destroyed in line with the Council's Information Retention Policy.

I declare that, to the best of my knowledge and belief, all the information in this application form is true and complete.

Signature _____

(This can be your group's chairman, treasurer, secretary or equivalent post)

Date _____

Print Name

Position held in group

Enclosures

- Copy of supporting documents

Return to:

MID DEVON DISTRICT COUNCIL
PHOENIX HOUSE, PHOENIX LANE
TIVERTON, DEVON EX16 6PP

<p>Certification I certify that this funding required is directly associated with the development of a community led housing scheme(s) and that the information contained within this application form is, to the best of my knowledge, accurate and reliable.</p>	<p>Signature:</p> <p>Date:</p> <p>On behalf of:</p>
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If the certification has not been completed by a recognised signatory of the proposed community housing organisation then please indicate the organisation that person represents

ELIGIBILITY CHECK

Application for Community Development/Set Up Funds – Stage 1 / 2 / 3

CLT Details	
Contact Name	
Parish	
Grant Stage	
Grant Requested	

Evidence Support	Of	Yes / No	Documentation Supplied	
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Eligibility

	Yes	No	?	Comment(s)
Is the application form complete and all relevant information supplied?				
Is the organisation eligible to apply?				
Are the project objectives eligible for funding?				
Is there sufficient detailed breakdown of costs so we know what the funding will be spent on?				
Is there evidence of support from at least one local parish / town Council?				
Is the amount higher than the eligible costs?				
Does the scheme / project warrant additional funding?				
Has the project already received funding?				
Is the project able to proceed with funding?				

Supplementary Questions / Clarifications Needed:

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SCORING CHECK

Need	Comments <i>Please score from 1 to 5 1 being lowest – does not fulfil a local need 5 being highest – completely fulfils a local need</i>	Score
Is there a Housing Need in village/Parish?		
Is this back by the community/Parish?		
Is the organisation working with Wessex?		
Has a housing need survey been completed?		

RECOMMENDATION

Recommendation	£	Comments
Fund in Full		
Fund in Part		
Fund with Conditions		
Defer		
Do not fund		

Comments/Notes

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