

PROPOSED ALLOCATION OF COMMUNITY HOUSING FUND TO AFFORDABLE HOUSING RURAL EXCEPTION SCHEME

1. INTRODUCTION

- 1.1 This report seeks the approval of the Housing and Homelessness Portfolio Holder to allocate funding received under the Community Housing Fund to English Rural Housing Association (ERHA), to help finance the delivery of ten affordable homes on a 'Rural Exception Site' in Copythorne.

2. BACKGROUND

- 2.1 Since 2014 ERHA has been working on plans to provide an affordable housing scheme in the Parish of Copythorne and after many years in the making they secured a Planning Committee "resolution to approve" from New Forest National Park Authority in January 2024.
- 2.2 However, due to the costs of securing consent during the intervening years, coupled with the escalating costs of developing and building, the approved scheme was not viable. Even with Homes England grant assumptions the project requires additional subsidy beyond the Housing Association's scope. ERHA therefore approached New Forest National Park Authority and the District Council in March to source any alternative sources of funding to bridge the gap.
- 2.3 New Forest National Park Authority has subsequently agreed to contribute a significant six figure sum towards the scheme sourced from financial contributions towards affordable housing.
- 2.4 However as the District Council has its own development programme and very well-established mechanisms for spending available capital and receipts on affordable housing, the "Community Led Housing Fund" offers the only scope to contribute towards this scheme, subject to DLUHC consent and a Portfolio Holder decision to award funding outside the Council's approved Community Housing Fund scheme.

The Community Housing Fund

- 2.5 In December 2016 New Forest District Council was allocated £976,386 from the Government's 'ring-fenced' Community Housing Fund designed to help facilitate Community-led Housing schemes across the country. In May 2017 the Council embarked on a programme to promote and encourage such schemes and introduced a revenue-based grant to help get projects and groups off the ground, but with very limited take-up the initiative was revised in 2020. Expenditure under the scheme has remained slow and although some funding was set aside for an additional post to improve take-up, the unallocated balance still stands at £812,470 with a further £11,000 expected to be committed shortly.
- 2.6 Financial capacity therefore exists within the Community Housing Fund to make a contribution, however as a ring-fenced scheme it has been necessary to seek and secure approval from the Department for Levelling Up Housing and Communities (DLUHC) to endorse the intended use. Having provided DLUHC with the specifics of the scheme and the background, approval has been given to spend some of the unspent NFDC funds in this way.

3. OPTIONS

- 3.1 The Council is under no obligation to make a contribution towards this scheme however we have been advised by ERHA that without significant additional subsidy from New Forest National Park (the Local Planning Authority) and/or New Forest District Council (the Local Housing Authority), the project is unviable and will not proceed, with the loss of 10 additional homes - which under the Rural Exception Site Policy are expected to be prioritised for those with a local connection to the parish of Copythorne.

- 3.2 New Forest National Park Authority has agreed to contribute a six-figure sum to the scheme. It is proposed that the District Council make a contribution of £100,000 from the Community Housing Fund (£10,000 per dwelling).
- 3.3 ERHA was originally seeking more than the combined offer from NFNPA and NFDC but has confirmed that the combined sum is sufficient for it to proceed.
- 3.4 Therefore in terms of the potential options available the Council does not need to contribute more than £100,000, however if the Council offered less than £100,000 it is understood that the scheme would not proceed.

4. THE PROPOSAL

- 4.1 If approved the recommendation within this report will give consent to allocate £100,000 from the Community Housing Fund to English Rural Housing Association explicitly and exclusively in connection with the approved scheme 'Land East of New Inn Road', Bartley SO40 2LR (22/00498).
- 4.2 The allocation will be subject to a binding funding agreement between ERHA and NFDC. 75% of the funding allocation will be paid at start on site and the remaining 25% on confirmed practical completion.

5. CONSULTATIONS

- 5.1 The proposal has been discussed with and supported by the Executive Director of Planning and Strategy for New Forest National Park Authority. The recommendation within this report has been supported by the Strategic Director of Housing and Communities and the Council's Executive Management Team.

6. LEGAL IMPLICATIONS

- 6.1 The Council has received confirmation from DLUHC that it can use part of the Community Housing Fund in the manner proposed. The Council will enter into a funding agreement with ERHA and legal advice and input in respect of this funding agreement will be provided to ensure it provides the necessary protection for the Council and achieves the objectives set out in this decision.

7. CONCLUSIONS

- 7.1 The proposed funding allocation within this report, combined with the allocation from New Forest National Park Authority will enable a rural exception site scheme to proceed, providing 10 affordable homes for rent and shared-ownership – homes which will be prioritised for those in housing need and with a Parish local connection to Copythorne.

8. FINANCIAL IMPLICATIONS

- 8.1 As at 9th June the remaining ring-fenced New Forest Community Housing Fund stood at £812,470 with a further proposal for £11,000 expected to be supported shortly. If approved the expenditure proposed within this report will significantly reduce the balance however no other funding proposals projects are currently in the pipeline.

9. CRIME & DISORDER IMPLICATIONS

- 9.1 None

10. ENVIRONMENTAL IMPLICATIONS

- 10.1 English Rural has advised that their Energy Strategy seeks to ensure: reduced fuel costs for residents; reduced carbon emissions and provide residents with a healthy, safe and comfortable internal environment. Fulfilment of the Strategy is achieved through a "fabric first" approach, with components of the construction meeting specified energy performance standards, together with the use of low carbon technologies and renewables. This scheme proposes photo voltaic panels and air

source heat pumps to provide heating and hot water on this scheme. The specification will deliver a scheme in excess of current Building Regulations and on a pathway to Future Homes Standard, details of which are still to be confirmed.

11. EQUALITY & DIVERSITY IMPLICATIONS

11.1 All of the homes will be allocated and sold in accordance with the requirements of the Planning S106 agreement (yet to be agreed); through the District Council's Housing Allocation scheme, and in accordance with the Homes England requirements for the sale of shared ownership homes.

12. RECOMMENDATIONS

12.1 In accordance with the Authority's Affordable Housing enabling role, as well as the corporate support for the development of affordable housing in the New Forest District, it is recommended that the Portfolio Holder for Housing and Homelessness delegates authority to the Strategic Director of Housing and Communities to allocate £100,000 towards the delivery of 10 affordable homes at Land East of New Inn Road, Bartley, subject to the agreed terms of a funding agreement.

13. PORTFOLIO HOLDER ENDORSEMENT

I have agreed to the recommendations in this report

Sign: Cllr Steve Davies

Date: 13 June 2024

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Background Papers:

New Forest National Park Authority Planning Committee 16th
January 2024:22/00498 Land East of New Inn Road, Bartley. SO40
2LR

New Forest Community Housing Fund: Housing Services Portfolio
Holder Decision 2 April 2020
<https://democracy.newforest.gov.uk/ieDecisionDetails.aspx?ID=747>

Date on which notice given of this Decision – 13 June 2024

Last date for call in – 20 June 2024