

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
2 December 2014

Subject: RURAL HOUSING ENABLING 2015-2018

All Wards
Portfolio Holder for Environmental and Planning Services: Councillor B Phillips

1.0 PURPOSE

- 1.1 This report seeks approval for the Council's continued participation in the North Yorkshire Rural Housing Enabler Programme from 1 April 2015 to 31 March 2018 which is based on a slightly amended business model to the current programme. It also seeks approval for the Council to continue to act as lead employer for the sub-regional team of Rural Housing Enablers
- 1.2 Other Local Authorities and Registered Provider partners have confirmed their support moving forward, following the programme review which took place in summer 2014.

2.0 BACKGROUND

- 2.1 All stakeholders had an opportunity to engage in the review of the current and future service in summer 2014. This was led by a small task and finish Review Group including Local Authorities, the Homes & Communities Agency and Registered Provider representatives. Consultation included:
- On line survey of Rural Housing Enabler(RHE) Network members and stakeholders in July 2014
 - A workshop held at the Rural Housing Enabler Network meeting on 16th July 2014
 - Meeting with Registered Provider network funders on 7th August 2014
 - Discussion at Chief Housing Officers Group on 5th September 2014
 - Discussion at Local Government North Yorkshire and York Housing Board on 22nd September 2014
- 2.2 Response rates and participation in the consultation were high and representative of both funders and wider stakeholders. Overall, the consultation feedback was that funders and stakeholders were happy with the service; 90% of respondents rated the service as 'Good' or 'Outstanding' overall and 72% considered the service to offer 'Good' or 'Excellent' value for money.
- 2.3 On 22 September 2014 the Local Government North Yorkshire and York Housing Board agreed that Local Authority members supported the funding proposal in principle. Local Authority partners and the North York Moors National Park have subsequently confirmed their support in writing as have 10 Registered Providers to date.
- 2.4 Two of the funding sources for the current programme (Leeds City Region and NYCC) will not be available for 2015-18 and therefore the funding requirements need to be met by a smaller number of partners (although more Registered Providers have joined the Network since its inception).

2.5 Following consultation partners have agreed in principle to retain the existing funding model but with increased partner contributions:

- Local Authority contribution - £6,500 per year (from £5,000)
- Retainer element of the Registered Provider contribution to £3,000 (from £2,500)
- Capping the annual contribution by any one Registered Provider to a maximum of £30,000

2.6 Partners also support an approach that would explore other funding sources that could be used to reduce the shortfall/per unit contribution, for example to explore how services could be delivered to East Riding of Yorkshire Council, via consultancy work with other Local Authorities/Registered Providers and to investigate other funding which may be attracted via the Community Land Trust network if communities wish to engage in this.

2.7 Within the revised model the budget continues to have provision built in to provide for redundancy payments if required.

3.0 **LINK TO COUNCIL PRIORITIES:**

3.1 Providing affordable housing for Hambleton's rural communities is a key priority of the Council. Provision of Local Homes for Local People helps sustain the vibrancy of our rural communities and also contributes towards the Council's affordable housing targets.

4.0 **RISK ASSESSMENT:**

4.1 The risks in approving the recommendations are set out below:

Risk	Implication	Prob*	Imp*	Total	Preventative action
Partner(s) pulling out during the programme and/or the completion of fewer than expected homes, thereby increasing the cost per unit and some Registered Providers reaching the 'cap' amount.	Need to address any potential shortfall in contribution	3	4	12	Funding partners will be asked to sign up to a formal Service Level Agreement for the three year programme (with the option to give 12 months' notice to leave the partnership). Scope to generate more income through increased consultancy work and/or widen the programme to East Riding to secure further funding through LEP will be investigated.

4.2 The key risk in not approving the recommendation is shown below:-

Risk	Implication	Prob*	Imp*	Total	Preventative action
If HDC was not to be part of a sub-regional programme or the sub regional programme was to be abandoned this could result in the loss of the Rural Housing Enabler post for the District and fewer affordable homes being delivered in rural areas.	Going it alone with or without a partner would be more expensive and more risky in terms of sustaining the service in lean delivery years. It is unlikely that a Registered Provider would join local programme rather than a sub- regional one which would offer better value for money and less risk.	4	5	20	Continue to participate in a sub-regional scheme.

Prob = Probability, Imp = Impact, Score range is Low = 1, High = 5

5.0 FINANCIAL IMPLICATIONS:

5.1 The current model (2011–14) is predicated on contributions from a range of partners including Local Authorities, Registered Providers (RPs), North Yorkshire County Council and the Leeds City Region (LCR). RPs, NYCC and the LCR currently contribute £115k per annum. The 7 North Yorkshire local authorities (excluding City of York) and the National Park Authorities collectively contribute a further £45,000; Hambleton’s contribution is currently £5000 per annum.

5.2 Whilst there is support to retain the existing business model moving forward there will be no funding from the LCR nor from NYCC. The model has therefore been revised to take this into account and new contributions calculated. Local authority contributions will increase from £5,000 to £6,500 and Registered Provider retainer contributions will increase from £2,500 to £3,000. The overall cap of £30,000 per Registered Provider (retainer plus per completed unit contribution) will remain.

5.3 Hambleton DC will be seeking to recoup a modest management/administration charge associated with its role of lead employer. This will be in the region of £6000 per annum. Overall the revenue effects of continued participation in the NY RHE Programme will be as follows:-

Revenue Effects	2015/16 £	2016/17 £	2017/18 £
Cost of LA contribution (based on current business model)	£6500	£6500	£6500
Income received from Management Fee	£6000	£6000	£6000
Shortfall	£500	£500	£500

5.4 It is proposed that the shortfall of £500 per year be financed from Homelessness Prevention Grant, which will be included as part of the revenue budget in 2015/16.

6.0 LEGAL IMPLICATIONS:

- 6.1 HDC has acted as lead employer for this programme since 2011 without issue. Moving forward the Council should formalise partner arrangements- e.g. enter into SLA's with Registered Provider partners and partnership agreements with Local Authorities and should seek to have these agreed by the end of January 2015.

7.0 EQUALITY/DIVERSITY ISSUES

- 7.1 The North Yorkshire Rural Housing Enabler Programme focusses its work in parishes of less than 3,000 population. Continued support of the programme will therefore help to meet the housing needs of residents in HDC's remoter communities who might otherwise be more disadvantaged than those living in our service centres where there is more scope to deliver affordable housing through the allocation of sites and negotiations on larger windfall sites.

8.0 RECOMMENDATIONS:

- 8.1 It is recommended that Cabinet approves:
- (1) the Council's continued participation in the North Yorkshire Rural Housing Enabler Programme post 31 March 2015, based on the amended business model; and
 - (2) the Council continues to act as lead employer for the sub-regional team of Rural Housing Enablers.

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Background papers: None

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