Appendix A1

Community Led Housing Land Disposal Policy 2020

1. Introduction

The Council, in its Corporate Strategy 2018-2023, has set out a commitment to build 2,000 new homes – 800 affordable – a year by 2020. As well as the ambition for delivering additional homes the Council has set a number of principles relating to how homes should be delivered, which include:

- Working in partnership across the city to deliver these targets;
- Using a wide range of measures to increase housing supply;
- Promoting affordable housing.

The Housing Delivery Plan 2017-2020 sets the Council's strategic approach to delivering new homes. It includes a commitment to working with community led housing groups and to supporting self-build in the city.

2. Purpose

The Community Led Housing Land Disposal Policy (CLH LDP) sets out the policy for the disposal of Council-owned sites to community led housing organisations and associations of individual self-builders. The CLH LDP provides a framework within which to operate to ensure that any site offered under this policy is distributed in a fair, transparent way, that maximises best consideration, whilst relying on the provisions of the Local Government Act 2000 where the authority considers the scheme will secure the promotion or improvement of the economic, social and environmental wellbeing of its citizens.

3. Definitions Used (including any subsequent amendments)

Affordable Rent

Rented homes at an agreed % of open market rent (including the service charge element) on provison that the initial rent *up to 31st March 2020* is not in excess of the Local Housing Allowance limits for the specific property type in the Bristol City Council administrative area *and after April 1st 2020 not in excess of 35% gross household income.*

Best consideration

Under section 123 of the Local Government Act 1972 local authorities cannot dispose of an interest in land for less than the best consideration reasonably obtainable, without the consent of the Secretary of State. □

Community-led housing

Although the legal form and activities of each community-led housing group and scheme may differ, schemes that are genuinely community-led will adhere to three common principles, set out below. Schemes which meet the following principles will be defined as Community-led for the purposes of this policy:

- Commitment to community engagement and consent throughout the development process. Communities do not necessarily have to initiate the conversation, or build homes themselves.
- Commitment by the community group to taking a long-term legally binding role in the ownership, stewardship, or management of the homes; and such is supported by a strategy and business case.

- Commitment by the community group to deliver clearly defined benefits of the scheme to the local area or other group, such benefits to be if possible legally protected in perpetuity.

Pro Contract
Online procurement portal which is used by the Council and their Buyers.

Rent inflation index
An arrangement that allows all Social Rents and Affordable Rents to be increased annually by consumer price index plus 1% or such other alternative index or comparable measure of price inflation as may be agreed in writing with the Council on the understanding that no rents proposed are in excess of 35% of gross household income.

Shared equity
Homes where the equity is shared between the owner of land (typically 40%) and the purchaser of the house (typically up to 60%). This allows for a household on a median household income, in the local area, to not exceed 35% of their gross household income on paying their mortgage and other housing costs. There are currently grants available from the Council to facilitate the delivery of these homes.

Shared ownership
Part-buy/part-rent homes, on schemes under 10 homes, where the purchaser buys a proportion of the property's equity up to 40% using a mortgage and deposit while paying rent of up to 1.5% of the retained equity on the remainder. The purchaser has the opportunity to increase their share of ownership in the property over time in a process known as **stair-casing** until eventually the purchaser owns the full 100% of the home. On schemes over ten homes, if funded by Homes England, different regulations will apply.

Social rent
Rented homes on the proviso that the initial rent (based on the National Rent Scheme 2015) and the service charge element are not in excess of Local Housing Allowance limits for the specific property type in the Bristol City Council administrative area and, after April 2020, not in excess of 35% gross household income.

Social value
Economic, social and environmental well-being as more clearly set out in Council's Social Value Policy.

Subject to Planning
Planning permission must be sought and obtained from the Local Planning Authority before any development starts. The grant of planning permission may be subject to conditions.

Sweat Equity
An interest in a property earned by a tenant in return for labour towards the build.

Sweat Rent Reduction
A reduced rent earned by a tenant in return for labour towards the build.

Undervalue
The disposal of any interest in land for a price which is less than best consideration reasonably obtainable.

4. Housing schemes of 3-10 homes

Council sites with the capacity to deliver between 3 -10 homes, identified as suitable for delivery via community-led housing, will be marketed through Pro Contract to those eligible, legally consisted community groups, as defined below. Offers will be sought on a 'Subject to Planning' basis with the purchaser responsible for all risks and costs. All proposals will be evaluated against the following criteria (detailed in Section 9).

- Housing scheme - demonstrating: how far the proposal incorporates shared equity (with Sweat equity % or Sweat rent reduction) and the affordability, type, design and specification of homes.
- Community benefits
- Deliverability of proposal
- Social Value
- Financial offer

All proposals/homes will be required to meet relevant Building Regulations and be fully compliant with the Bristol Local Plan and all relevant supporting guidance.

Who is Eligible to Apply?

Unless there are exceptional circumstances, land will only be disposed of to legally constituted community groups falling into one of the following categories:

1. A company limited by guarantee registered as a charity with the Charity Commission
2. A charitable incorporated association
3. A community interest company limited by guarantee without shares whose articles of association comply with schedule 1 from the CIC Regulations 2005
4. A community interest company limited by guarantee with a share capital, or company limited by shares that only pay dividends to asset-locked bodies, whose articles of association comply with schedule 2 from the CIC Regulations 2005; or
5. An industrial and provident society registered before 2014
6. A community benefits society registered under the Co-operative and Community Benefit Societies Act 2014.

Examples of types of organisation are:

- community land trusts which take one of the legal forms set out above
- Community-led housing groups which take one of the legal forms set out above
- co-housing groups which take one of the legal forms set out above
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- registered providers working in partnership with a Community-led housing group (for this category it is the Community-led housing group that must be incorporated)

5. Housing schemes in excess of 10 homes

Cabinet approval will be required to the principle of disposing of Council owned sites with the capacity to deliver over 10 homes, identified as suitable for delivery via community-led housing, in accordance with this policy.

Following Cabinet approval, the sites will be marketed through Pro Contract to those eligible, legally consisted community groups, as defined below. Offers will be sought on a 'Subject to Planning' basis with the purchaser responsible for all risks and costs. All proposals will be evaluated against the following criteria (detailed in Section 9).

- Housing scheme - demonstrating: how far the proposal incorporates shared equity (with

Sweat equity % or Sweat rent reduction) and the affordability, type, design and specification of homes.
- Community benefits
- Deliverability of proposal
- Social Value
- Financial offer

All proposals/homes will be required to meet relevant Building Regulations and be fully compliant with the Bristol Local Plan and all relevant supporting guidance.

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- Examples of types of organisation are: community land trusts which take one of the legal forms set out above
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6. Heads of Terms

The Heads of Terms for Community Led Housing land disposals are attached at Appendix 1.

7. Availability of Grant

The Council intends to continue to make the following grants available to Community Led Housing Groups under the Affordable Housing Funding Policy 2019. When making land offers under the CLH LDP through Pro Contract bidders are asked to identify whether any Council or Homes England grant is likely to be applied for at a later date.

8. Governance

A panel of officers from the relevant professional disciplines will evaluate the bids received on ProContract and then recommend the disposal to Executive Director for Growth and Regeneration for final decision which will be recorded on ProContract.

9. Appraisal criteria of all CLH schemes

Bidders will be required to make submissions through Pro Contract which will be appraised against the following criteria and scoring chart. Any application that does not achieve a score of at least 3 out 5 on any of the criteria will be discounted or may be asked to make a new submission.

All bidders should first demonstrate their organisation is financially sound by submitting either; financial accounts for up to 3 years, a set of financial statements provided by a qualified accountant or evidence of financial standing of individuals within the organisation, This will enable the Council to undertake a Pass/Fail assessment prior to scoring the scheme detailed below.

Ref	Topic & Weighting	Criteria	Evidence	Score
1	**Housing Proposal 20%**	Demonstrate how your Proposal(s), highlighting location, tenure mix, affordability, type, design and specification of homes, complies with: Bristol Local Plan and all relevant supporting guidance. And responds to: • Zero Carbon housing – accreditation from Passivhaus, Bio Regional One Planet or equivalent • Housing Innovations through MMC	Text response up to 500 words	**0-5**
2	**Deliverability 20%**	Demonstrate that your organisation has or will have the skills and time to enable this scheme to start on site within next thirty six months and be delivered within a further twenty four months by making available: • Planning status • Deliverability of scheme i.e. highway access or other encumbrances. • Innovative construction practices including use of modular homes to accelerate delivery • Long term management arrangements	Text response up to 500 words Supported with a Gantt Chart or similar with key milestones	**0-5**
3	**Community Benefits 20%**	• Number of social/affordable rent/ shared equity homes to be transferred to CLH group. • Retained equity secured by CLH group. • Future revenue stream of CLH group. • Number of self-build/custom build homes or plots proposed.	Text response up to 500 words	**0-5**
4	**Social Value 20%**	Social value offer Tell us what issues will be addressed; the impact and outcomes that demonstrates how your proposal will respond to BCC Social Value Policy evidenced by the Social Value Toolkit. You are asked to submit your responses to this question on the Social Value Toolkit/ Measures	Completed Social Toolkit /Social Value Measures Table with supporting text up to 500	

		table available to download from Pro-Contract and upload the completed table with your application. You should identify measures (column E) relevant to your scheme and include a description of your commitments together with details of evidence used to confirm commitments have been delivered (columns H and I). *(Please note it is intended to include all social value commitments as contractually binding obligations in the disposal agreement with the Council and compliance with such obligations will be monitored.)*	words	
5	**Financial Offer 20%**	Financial offer supported by business plan for scheme that shows viability and affordability It is important to include: • What you propose to do and how it will be funded including and public grant requirements • The level of funding secured vs pledged • How the asset will be sustained in the long term • Any other existing public grant you are in receipt of in relation to this or any other scheme	Business plan and Development appraisal for the site. Completed Financial Model Template	

Guidance for awarding scores for questions

Assessment	**Scores 0-5**	**Reason to award this score based on evidence provided against the criteria included**
Unacceptable	0	• Does not meet the criteria; Does not comply and/or insufficient information provided to demonstrate that the organisation has the ability, understanding, experience, skills, resource & quality measures required to meet the objectives sought and deliver , with little or no evidence to support the proposal.
Serious reservations	1	• Satisfies the criteria with major reservations; • Considerable reservations of the organisations' relevant ability, understanding, experience, skills, and resource & quality measures required to meet the objectives sought and deliver , with little or no evidence to support the proposal.
Minor reservations	2	• Satisfies the criteria with minor reservations; • Some minor reservations of the organisations relevant ability, understanding, experience, skills, and resource & quality measures required to meet the objectives sought and deliver with little or no evidence to

		support the proposal.
Satisfactory	3	• Satisfies the criteria; • Demonstration by the organisation of the relevant ability, understanding, experience, skills, resource & quality measures required to meet the objectives sought and deliver with evidence to support the proposal
Good	4	• Satisfies the criteria with minor additional benefits; • Above average demonstration by the organisation of the relevant ability, understanding, experience, skills, resource & quality measures required to meet the objectives sought and deliver; • Proposal identifies factors that will offer potential added value, with evidence to support the proposal.
Excellent	5	• Significantly exceeds the criteria ; • Exceptional demonstration by the organisation of the relevant ability, understanding, experience, skills, resource & quality measures required to meet the objectives sought and deliver; • Proposal identifies factors that will offer potential added value, with evidence to support the proposal.