

Item: 17

Education, Leisure and Housing Committee: 6 September 2023.

Island and Rural Housing Fund – COVID-19 Funding.

Report by Corporate Director for Education, Leisure and Housing.

1. Purpose of Report

To consider delegation of powers to determine applications for funding from the Council's Island and Rural Housing Fund.

2. Recommendations

The Committee is invited to note:

2.1.

That, on 21 December 2021, when considering the allocation of one-off funding towards a series of projects considered to provide excellent recovery prospects from the COVID-19 pandemic, the Policy and Resources Committee recommended the allocation of funding to a series of recovery projects, which included a one-off allocation of £500,000 towards an Island and Rural Housing Fund.

2.2.

That, as part of the budget setting process for 2023/24, following a review of all General Fund reserves and previous commitments for funding, the £500,000 allocation towards the Island and Rural Housing Fund was subsequently reduced to £400,000.

2.3.

That the Council's Island and Rural Housing Fund will be utilised to bridge any shortfall in financing, allowing isles housing projects, which would otherwise not be financially viable, to proceed, following successful applications by development trusts to the Scottish Government's Rural and Islands Housing Fund and/or the Scottish Land Fund.

2.4.

That, due to time pressures associated with the projects, the Chief Executive exercised emergency powers in awarding funding to the undernoted organisations, met from the Council's Island and Rural Housing Fund:

- Stronsay Development Trust - £37,126 towards the renovation of Beechwood, Stronsay.

- Papay Development Trust - £41,000 towards the purchase of Fairview, Papa Westray.
- Eday Partnership - £100,000 towards the development of two properties at Blett, Eday.

It is recommended:

2.5.

That powers be delegated to the Corporate Director for Education, Leisure and Housing, in the consultation with the Chair and Vice Chair of the Education, Leisure and Housing Committee, to determine applications for funding from the Council's Island and Rural Housing Fund.

2.6.

That powers be delegated to the Corporate Director for Education Leisure and Housing, in consultation with the Head of Finance and the Head of Legal and Governance, to conclude Agreements, on the Council's standard terms and conditions, with recipients of funding from the Council's Island and Rural Housing Fund.

3. Background

3.1.

On 21 December 2021, when considering the allocation of one-off funding towards a series of projects considered to provide excellent recovery prospects from the COVID-19 pandemic, the Policy and Resources Committee recommended the allocation of funding to a series of recovery projects, which included a one-off allocation of £500,000 towards an Island and Rural Housing Fund.

3.2.

The report to the Policy and Resources Committee included the following information in respect of proposed allocation:

“Development Trusts in the isles have aspirations to develop housing in their islands to both attract new people to move to the isles but also to retain young people in the isles by providing good quality living accommodation. The Development Trusts will have access to the Scottish Government's Rural and Islands Housing Fund which can provide a significant proportion of the funding package for a development but, with higher building costs on the isles and an element of uncertainty that tenancies will be taken up if new housing is built, the intention would be to provide additional grant assistance to Development Trusts. This would supplement the Scottish Government grant funding and give the Development Trusts the confidence to undertake new housing developments”.

3.3.

As part of the budget setting process for 2023/24, following a review of all General Fund reserves and previous commitments for funding, the £500,000 allocation was subsequently reduced to £400,000.

4. Island and Rural Housing Fund

4.1.

The Council's Island and Rural Housing Fund will be utilised to enhance existing Scottish Government funding available from the Rural and Islands Housing Fund (RIHF) and the Scottish Land Fund (SLF). These Scottish Government funds are open to Development Trusts, and if successful, enables Development Trusts access to essential finances needed in achieve their ambitions to create new housing. However, many Development Trusts still need additional funding to take projects forward.

4.2.

To be eligible to apply for funding from the Council's Island and Rural Housing Fund, Development Trusts must have successfully applied to the Scottish Government's Rural and Islands Housing Fund or the Scottish Land Fund. The Council's Island and Rural Housing Fund will be utilised to bridge any shortfall in financing, allowing isles housing projects, which would otherwise not be financially viable, to proceed.

4.3.

Applications will be considered on a first come first served basis, allowing funds to be allocated as projects are ready to proceed. There is no upper limit for each application. Applications will be accepted until such time that the full allocation of £400,000 has been exhausted.

4.4.

Due to time pressures associated with the projects, the following awards from the Council's Island and Rural Housing Fund, were made using the Chief Executive's emergency powers towards Isles Development Trusts for housing:

- Stronsay Development Trust - £37,126 towards the renovation of Beechwood, Stronsay.
- Papay Development Trust - £41,000 towards the purchase of Fairview, Papa Westray.
- Eday Partnership - £100,000 towards the development of two properties at Blett, Eday.

4.5.

In order to determine applications for grant assistance to Development Trusts for housing, it is proposed that powers be delegated to the Corporate Director for Education, Leisure and Housing, in the consultation with the Chair and Vice Chair of the Education, Leisure and Housing Committee.

5. Equalities Impact

An Equality Impact Assessment has been undertaken and is attached as Appendix 1 to this report.

6. Island Communities Impact

An Island Communities Impact Assessment has been undertaken and is attached as Appendix 2 to this report.

7. Corporate Governance

This report relates to the Council complying with governance and procedural issues and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

8. Financial Implications

8.1.

As at 31 March 2021, the Council held accumulated additional cash balances amounting to £8,250,000, which could be allocated to items of spending pressure or asset replacement on a one-off basis.

8.2.

Funding of £500,000 was ratified on 23 December 2021 during a Special General Meeting of the Council, but subsequently has reduced to £400,000 as part of the budget saving process for budget 2023/24.

8.3.

To date £178,126 of the fund has already been allocated using Chief Executive's emergency powers as follows:

Development Trust Project	Allocated funding
Beechwood, Stronsay	£37,126
Fairview, Papa Westray	£41,000
Blett, Eday	£100,000

8.4.

Therefore, there is still £221,874 available in respect of the Island and Rural Housing Fund. In order to expedite this process, delegated authority is being sought.

8.5.

In addition, the Council has established a Loan Scheme in respect of housing developments undertaken by development trusts and other community

organisations, based on specific terms and conditions, which will be funded from the Strategic Reserve Fund.

9. Legal Aspects

9.1.

Section 95 of the Local Government (Scotland) Act 1973, as amended, obliges the Council to make arrangements for the proper administration of its financial affairs. Ensuring that there is appropriate governance in place around the determination of funding applications assists the Council in meeting this obligation.

9.2.

Appropriate consideration will require to be given to any potential Subsidy Control implications. An initial analysis would suggest that grant funding can be awarded from the Island and Rural Housing Fund in a manner which is compliant with the relevant Subsidy Control legislation and guidance.

9.3.

If grant assistance is to be provided by the Council, a legally binding agreement will require to be entered into between the Council and the recipient setting out the terms on which the funding is being provided.

10. Contact Officers

James Wylie, Corporate Director of Education, Leisure and Housing, extension 2477, Email james.wylie@orkney.gov.uk.

Frances Troup, Head of Community Learning, Leisure and Housing, extension 2450, Email frances.troup@orkney.gov.uk.

David Brown, Service Manager (Resources), Education, Leisure and Housing, extension 2172, Email david.brown@orkney.gov.uk.

Rachael Batty, Development and Empty Homes Officer, Education, Leisure and Housing, extension 2198, Email rachael.batty@orkney.gov.uk.

11. Appendices

Appendix 1: Equality Impact Assessment.

Appendix 2: Island Communities Impact Assessment.



Equality Impact Assessment

The purpose of an Equality Impact Assessment (EqIA) is to improve the work of Orkney Islands Council by making sure it promotes equality and does not discriminate. This assessment records the likely impact of any changes to a function, policy or plan by anticipating the consequences, and making sure that any negative impacts are eliminated or minimised and positive impacts are maximised.

1. Identification of Function, Policy or Plan	
Name of function / policy / plan to be assessed.	Island and Rural Housing Fund – COVID-19 Funding.
Service / service area responsible.	Housing Services.
Name of person carrying out the assessment and contact details.	Rachael Batty, Development and Empty Homes Officer, Housing Services, Ext 2198, E-mail rachael.batty@orkney.gov.uk .
Date of assessment.	22 February 2023.
Is the function / policy / plan new or existing? (Please indicate also if the service is to be deleted, reduced or changed significantly).	Existing. The funding was made available on 21 December 2021 during a Policy and Resources committee which dealt with the allocation of one-off funding towards a series of projects considered to provide excellent recovery prospects from the COVID-19 pandemic.

2. Initial Screening	
What are the intended outcomes of the function / policy / plan?	To provide grant funding to Development Trust for affordable housing projects already in receipt of the Scottish Government's Rural and Islands Housing Fund or Scottish Land Fund.
Is the function / policy / plan strategically important?	Yes. The Council through its Local Housing Strategy has identified Sustaining Orkney's Communities as a Key Housing Priority. As set out in that report, the Council should take action to continue to support the Islands Development Trusts in seeking funding for new initiatives including housing developments on the isles.
State who is, or may be	Development Trusts whose receipt of the funding

<p>affected by this function / policy / plan, and how.</p>	<p>will determine if they can proceed with their project. Those tenants who will rent the properties if projects proceed.</p>
<p>How have stakeholders been involved in the development of this function / policy / plan?</p>	<p>The allocation of £500K to Development Trusts for housing projects was considered by Policy and Resources Committee on 21 December 2021. It was then ratified on 23 December 2021 during a Special General Meeting of the Council.</p> <p>The funding policy has been aligned with Scottish Government funding for Rural and Islands Housing which has already progressed through stakeholder involvement.</p>
<p>Is there any existing data and / or research relating to equalities issues in this policy area? Please summarise. E.g. consultations, national surveys, performance data, complaints, service user feedback, academic / consultants' reports, benchmarking (see equalities resources on OIC information portal).</p>	<p>There are significant amounts of research relating to housing specifically.</p> <p>The Scottish Government has produced research entitled "Rural Scotland Key Facts" compares and contrasts circumstances in remote and accessible rural areas to the rest of Scotland. This acknowledges that key areas of policy such as the economy, transport, education and health can have a particular impact on rural communities and seeks to reflect this in mainstream policy development. Housing is a key part of this.</p> <p>Equality issues include often an ageing demographic and specific issues around equalities and access to employment.</p>
<p>Is there any existing evidence relating to socio-economic disadvantage and inequalities of outcome in this policy area? Please summarise. E.g. For people living in poverty or for people of low income. See The Fairer Scotland Duty Guidance for Public Bodies for further information.</p>	<p>The Joseph Rowntree Foundation has produced a range of research focussing on poverty and disadvantage and the links between this and housing and homelessness. Research such as this relates directly to the introduction of the Fairer Scotland Duty.</p> <p>Properties that receive Rural and Islands Housing Fund and may apply for this Council funding scheme must be rented at an affordable level.</p> <p>Whilst in-work poverty is generally defined as a working person's income after housing costs, it forms a useful framework to understanding those who may be most likely impacted in this policy area.</p> <p>CIPD Research shows that in-work poverty isn't limited to those in the lowest-paid roles and risks</p>

	<p>of being trapped in poverty are not equal. It can depend on the sector people work in, their hourly pay and number of hours worked, where they live, as well as their age, gender, ethnicity and disability.</p> <p>Barriers like access to childcare and transport can also determine whether people are able to escape poverty through work.</p> <p>Those most vulnerable include children, as well as people in:</p> <ul style="list-style-type: none"> • families without full-time workers • single-parent families • families with a disabled person • families with three or more children • rented accommodation • households headed by someone of non-white ethnicity (particularly those of Pakistani, Bangladeshi or Black ethnicity). <p>Workers in certain sectors – particularly accommodation and food services – are far more vulnerable to in-work poverty, while other sectors at risk include administration and support services, wholesale and retail, construction, health and social work, and manufacturing.</p>
<p>Could the function / policy have a differential impact on any of the following equality areas?</p>	<p>(Please provide any evidence – positive impacts / benefits, negative impacts and reasons).</p>
<p>1. Race: this includes ethnic or national groups, colour and nationality.</p>	<p>No specific impact identified. Potential positive impact for those households headed by someone of non-white ethnicity.</p>
<p>2. Sex: a man or a woman.</p>	<p>No specific impact identified. Potential positive impact for single-parent families. Statistically, these will most likely be single women.</p>
<p>3. Sexual Orientation: whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.</p>	<p>No specific impact identified.</p>
<p>4. Gender Reassignment: the process of transitioning from one gender to another.</p>	<p>No specific impact identified</p>
<p>5. Pregnancy and maternity.</p>	<p>No specific impact identified.</p>
<p>6. Age: people of different ages.</p>	<p>No specific impact identified. Potential positive impact for older people where new affordable housing development meets any future needs in</p>

	terms accessibility and remaining in a community setting they are familiar with to reduce any impact of isolation, etc.
7. Religion or beliefs or none (atheists).	No specific impact identified.
8. Caring responsibilities.	No specific impact identified. Potential positive impact for those families with children.
9. Care experienced.	No specific impact identified.
10. Marriage and Civil Partnerships.	No specific impact identified.
11. Disability: people with disabilities (whether registered or not).	No specific impact identified. Potential positive impact for those families with a disabled person.
12. Socio-economic disadvantage.	No specific impact identified. Development Trusts housing projects are intended to attract or retain people to / in their communities, such as young people, key workers, families, or elderly members of the community. Any housing projects which proceed because of the allocation of this grant will be rented at an affordable level. It is therefore intended to have a positive impact on socio-economic disadvantage where the household is employed, has a formal offer of employment or another regular income. This may also include those families without full-time workers.

3. Impact Assessment

Does the analysis above identify any differential impacts which need to be addressed?	No.
How could you minimise or remove any potential negative impacts?	N/A.
Do you have enough information to make a judgement? If no, what information do you require?	Yes.

4. Conclusions and Planned Action

Is further work required?	No.
What action is to be taken?	N/A.
Who will undertake it?	N/A.

When will it be done?	N/A.
How will it be monitored? (e.g. through service plans).	N/A.

Signature:

Date: 22 February 2023

Name: RACHAEL BATTY

(BLOCK CAPITALS).

Please sign and date this form, keep one copy and send a copy to HR and Performance. A Word version should also be emailed to HR and Performance at hrsupport@orkney.gov.uk

Island Communities Impact Assessment

[Island and Rural Housing Fund – COVID-19 Funding]

Preliminary Considerations	Response
Please provide a brief description or summary of the policy, strategy or service under review for the purposes of this assessment.	Island and Rural Housing Fund – COVID-19 Funding.
Step 1 – Develop a clear understanding of your objectives	Response
What are the objectives of the policy, strategy or service?	To provide additional funding to allow Development Trusts to proceed with housing projects.
Do you need to consult?	No. The funding has already been made available for Development Trusts to access.
How are islands identified for the purpose of the policy, strategy or service?	The funding is available to island and rural Development Trusts based in Orkney. There are currently ten Development Trusts able to access the funding – these Trusts are predominantly situated on the outer isles.
What are the intended impacts/outcomes and how do these potentially differ in the islands?	The intended outcome is to allow Development Trusts to undertake new housing projects.
Is the policy, strategy or service new?	No. The funding was made available on 21 December 2021 during a Policy and Resources committee which dealt with the allocation of one-off funding towards a series of projects considered to provide excellent recovery prospects from the COVID-19 pandemic.
Step 2 – Gather your data and identify your stakeholders	Response
What data is available about the current situation in the islands?	Data is collected on housing needs on a five yearly basis as part of the Housing Need and Demand Assessment which underpins the Local Housing Strategy. This is currently in the process of being updated.

	<p>Data is also held on social housing waiting lists, this specifically relates to social housing.</p> <p>Revised data on housing need across all tenures is progressing through the Scottish Government's approval process and will be reported to committee in November 2023.</p>
Do you need to consult?	No.
How does any existing data differ between islands?	Social Housing Waiting lists for numbers for rural and isles area tend to be small and can fluctuate from year to year. This provides a picture of social housing need specifically. The position surrounding other tenures is outlined above.
Are there any existing design features or mitigations in place?	N/A.
Step 3 – Consultation	Response
Who do you need to consult with?	N/A.
How will you carry out your consultation and in what timescales?	N/A.
What questions will you ask when considering how to address island realities?	N/A.
What information has already been gathered through consultations and what concerns have been raised previously by island communities?	N/A.
Is your consultation robust and meaningful and sufficient to comply with the Section 7 duty?	N/A.
Step 4 – Assessment	Response
Does your assessment identify any unique impacts on island communities?	No.
Does your assessment identify any potential barriers or wider impacts?	No.

How will you address these?	N/A.
<p>You must now determine whether in your opinion your policy, strategy or service is likely to have an effect on an island community, which is significantly different from its effect on other communities (including other island communities).</p> <p>If your answer is No to the above question, a full ICIA will NOT be required and you can process to Step 6. If the answer is Yes, an ICIA must be prepared and you should proceed to Step 5.</p> <p>To form your opinion, the following questions should be considered:</p> <ul style="list-style-type: none"> • Does the evidence show different circumstances or different expectations or needs, or different experiences or outcomes (such as different levels of satisfaction, or different rates of participation)? • Are these different effects likely? • Are these effects significantly different? • Could the effect amount to a disadvantage for an island community compared to the Scottish mainland or between island groups? 	
Step 5 – Preparing your ICIA	Response
In Step 5, you should describe the likely significantly different effect of the policy, strategy or service:	N/A.
Assess the extent to which you consider that the policy, strategy or service can be developed or delivered in such a manner as to improve or mitigate, for island communities, the outcomes resulting from it.	N/A.
Consider alternative delivery mechanisms and whether further consultation is required.	N/A.
Describe how these alternative delivery mechanisms will improve or mitigate outcomes for island communities.	N/A.
Identify resources required to improve or mitigate outcomes for island communities.	N/A.

Stage 6 – Making adjustments to your work	Response
Should delivery mechanisms/mitigations vary in different communities?	No.
Do you need to consult with island communities in respect of mechanisms or mitigations?	No.
Have island circumstances been factored into the evaluation process?	Yes.
Have any island-specific indicators/targets been identified that require monitoring?	No.
How will outcomes be measured on the islands?	Successful creation of housing projects by Development Trusts.
How has the policy, strategy or service affected island communities?	Funding has already been awarded to three Isles Development Trusts, using Chief Executive's emergency powers allowing housing projects to begin. The funding will give confidence to Development Trusts on the outer isles to proceed with projects.
How will lessons learned in this ICIA inform future policy making and service delivery?	N/A.
Step 7 – Publishing your ICIA	Response
Have you presented your ICIA in an Easy Read format?	Yes.
Does it need to be presented in Gaelic or any other language?	No.
Where will you publish your ICIA and will relevant stakeholders be able to easily access it?	Orkney Islands Council's Website with Committee Report and Minute on Island and Rural Housing Fund – COVID-19 Funding.
Who will signoff your final ICIA and why?	David Brown, Service Manager (Resources), through line management structures.

ICIA completed by:	Rachael Batty
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Position:	Development and Empty Homes Officer
Signature:	
Date complete:	23/08/23

ICIA approved by:	David Brown
Position:	Service Manager (Resources)
Signature:	
Date complete:	