

# COMMUNITY HOUSING FUND Prospectus Q&A

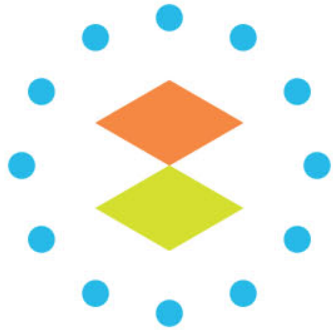


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**MAYOR OF LONDON**







# Community-led housing

- Meaningful community engagement and consent occurs throughout the development process. Communities do not necessarily have to initiate the conversation, or build homes themselves, though many do.
- There is a presumption that the community group or organisation will take a long-term formal role in the ownership, stewardship, or management of the homes.
- The benefits to the local area and/or specified community are clearly defined and legally protected in perpetuity.

Communities may be geographically local or may be 'communities of interest' over a wider geographic area.

Benefits may be affordability, but also social

CLH can be delivered in various ways, including through:

- start-up groups responding to housing need or demand, or groups of people seeking to deliver their own homes;
- the extension of existing community-based organisations to provide housing in addition to their existing activities, for and on behalf of the community;
- partnerships with developers and housing associations supporting a community group to deliver their ambition.





# Supporting CLH groups

<b>Initial Advice</b>	signposting, explore different routes, connect to groups, experience, skills, resources with <b>52 groups / organisations</b>
<b>CLH Advisers</b>	paid for time with accredited advisers to guide and mentor <b>15 groups</b> at an early stage
<b>Funding</b>	<b>£69,700 awarded across 9 groups</b> to commission business planning, financial advice, development appraisals, site capacity work, legal advice, or incorporation costs – which may be repayed from successful schemes.
<b>Learning Events</b>	hosted 6 events and contributed to 10.

# Supporting boroughs and others

**We're offering practical support and advice to boroughs, HAs, and developers on creating opportunities for community led housing.**

**Working with** Waltham Forest, Tower Hamlets, and Croydon.  
Wandsworth, Enfield, and Redbridge.  
a small developer and a large Housing Association create opportunities.

**Future of London** CLH learning programme aimed at local authorities and housing professionals.



# LONDON COMMUNITY HOUSING FUND BIDDERS' EVENT

Francesca Lewis  
Housing Policy Manager  
15 February 2019

GREATER**LONDON**AUTHORITY

# Introduction

*“Community-led housing puts residents at the heart of the process, giving them a voice and chance to contribute to designing communities”*

– Sadiq Khan, Oct 2018

London Housing Strategy establishes a target of identifying a pipeline of schemes with capacity to deliver 1,000 CLH homes by April 2021



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# Key terms

- £38m for London
- £30m available as capital, remainder as revenue
- Will support 500 starts on site by April 2023
- Continuous bidding until March 2023 or fully committed
- Replaces Innovation Fund
- Up to £10m will form a revolving loan fund

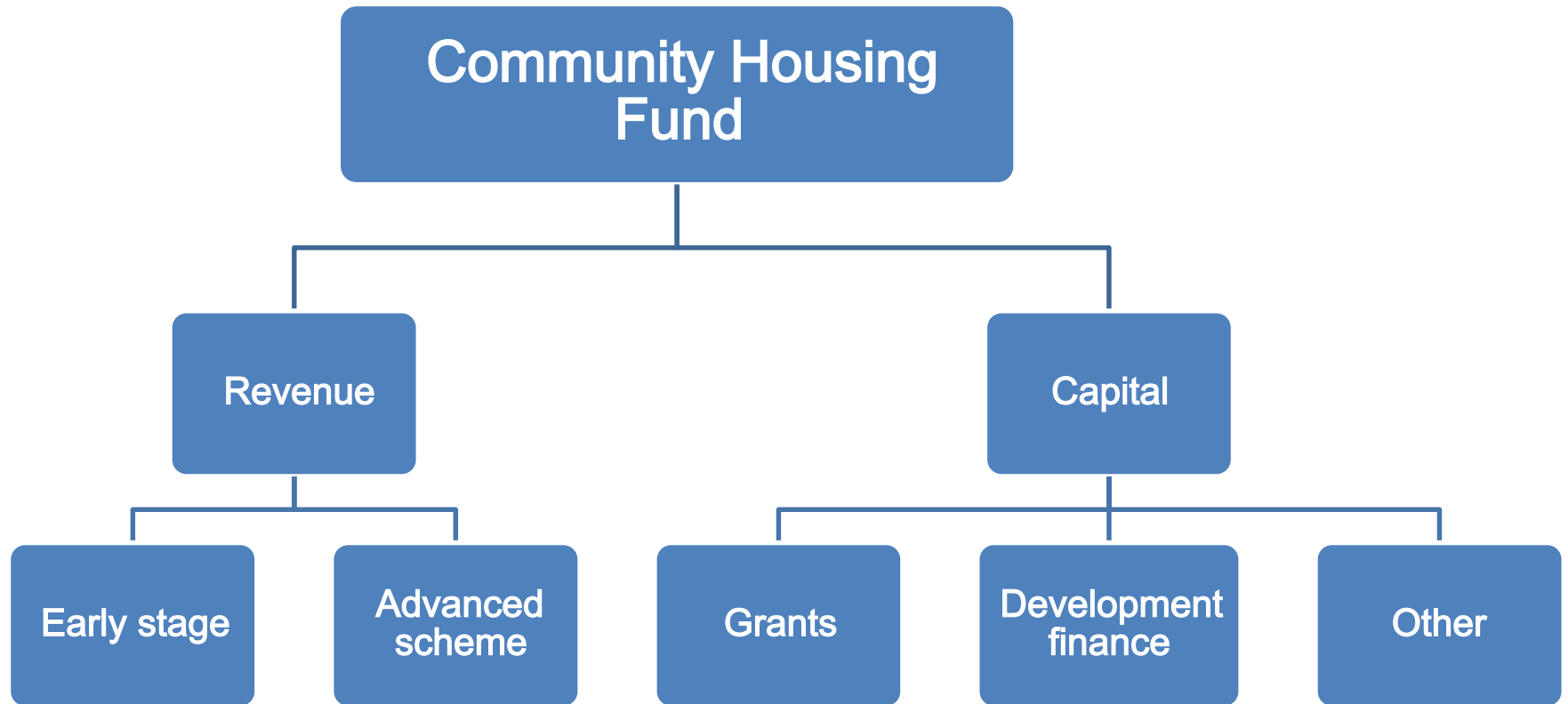




# What makes something CLH?

- Agnostic on delivery models – could be a CLT, cohousing, or co-operative
- No statutory definition but three common principles:
  1. Meaningful community engagement and consent occurs throughout the process.
  2. Community group owns, manages or stewards the homes in manner of their choosing.
  3. Benefits to the local area and/or specified community group are clearly defined and legally protected in perpetuity.

# Elements of the programme



# Revenue funding

- To cover the costs of project specific activities: pre - development costs; preparing planning applications; post planning costs; fees
- Available as contingent grants
- Early stage – the Hub
- Advanced scheme– GLA
- Scheme reaches an advanced stage once a site is secured





# Capital grants

- Assessed and administered by GLA
- Directly supports delivery of new homes by addressing the viability funding gap
- Applications will need to show that the homes are affordable. Mayor's preference for affordable products as set out in Affordable Homes Programme
- Applicants can choose between:
  - Fixed grant rate route (currently £70k for low -cost rent; £38k for intermediate homes)
  - Negotiated grant rate route

# Capital loans

- Support for financing the cost of construction is available, usually 'development finance'
- Available as senior debt or mezzanine financing
- Flexible approach – will be assessed on case by case basis
- Commercial terms repayable on completion of the homes



## Other criteria

- Registered provider status for those seeking to own/manage low-cost rented homes
- This is legal requirement placed upon the GLA in Housing & Regeneration Act 2008 which we must comply with
- Groups should consider partnering with small RPs, securing status, or reviewing tenure - mix
- Investment partner form to be completed, enables due diligence to take place concurrently alongside decision about Fund application
- Allocations may be provisional and while process is needed, will take common-sense approach



# State Aid

- Applicants should give regard to *de minimis* exemption for State Aid assessments. This allows groups to receive up to €200,000 in revenue support in 3 years (rolling) without detailed assessments
- State Aid is complicated
- GLA will consider revenue allocations in excess of €200,000 limit, in exceptional circumstances
- This will require evidence from applicants that an allocation would be State Aid compliant, compelling evidence about meeting need, deliverability and proportionate to number of homes
- Legal advice may be needed

# Process

- All applications routed through Hub, alongside early advice
- Once schemes reach advanced stage or capital, GLA Area Team lead for CLH will work with applicants to develop proposal
- Internal review panel has been created with specific focus on CLH



# Assessment criteria

## 1. Deliverability

## 2. Value for money

- Revenue funding: priority given to applicants contributing at least 10% match funding
- Capital funding: amount bid for in proportion to estimated costs/ scale of delivery

## 3. Strategic fit

- Community consent and control
- Contribution to Fund objectives



# Thank you

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