



Frequently Asked Questions

Community Housing Fund
Revenue Programme 2021/22

Updated 22/09/21

Frequently Asked Questions

Who Can Apply:

Question: We still have some milestone 3 tasks to complete. Is my scheme advanced enough to apply?

All applicants will be assessed to see if they can complete all the work required with the funding, by the end of March 2022, to enable their scheme to achieve milestone 5. You will need to provide a realistic project plan to demonstrate that your project will progress this far.

Schemes that have achieved milestone 3 or beyond will be prioritised for assessment. If you are at milestone 2 and still have tasks to complete for milestone 3 you can still apply, but your application will only be assessed if there is insufficient demand for funding from more advanced schemes.

This programme is all about supporting groups to complete the work required to be able to achieve milestone 5 tasks and 'get over the line'. Pre-development work funded by this programme has to be completed by the end of March 2022.

Question: Is it ok that we are working towards submitting an application for outline planning permission rather than a full planning application?

If you are requesting funding to help submit an outline planning application, you will need to prove that the tasks you are requesting funding for include the detailed pre-development work that will enable you to go onto submit a reserved matters application without any need for securing further grant funding.

Your project timeline would need to show that you will also be able to submit a reserved matters application as an outcome of this funding in Spring 2022.

Question: Are Almshouses eligible to apply?

Almshouses can apply to this programme. As part of the due diligence checks, the charter documents would be looked at in place of Companies House records.

Question: Can town and parish councils apply?

Town councils or parish councils who are working with an incorporated community organisation should support the community organisation to apply to the programme.

If a town council or parish council is initiating a Developer-Community Partnership then they should fill in the expression of interest form so we can discuss whether the project might be eligible for the programme.

Please refer to the definition of community led housing on pages 4 and 5 of the Prospectus. If a town or parish council is recruiting 'founder members' from within the community and supporting them to take over ownership, stewardship and/or management of the homes being developing, then the scheme might be eligible to apply for funding. Once we have discussed a project's eligibility, Community Led Homes will invite town and parish council's to apply directly via email.

Question: What evidence is required for progress in procurement of building works?

At Milestone 2, this is about clarity about whether groups intend to partner with an registered provider, use a developer or do the development themselves. It might also be decisions about types of housing being developed – like modular or eco-build, which may restrict the number of contractors.

At Milestone 4, it is about giving greater clarity on the decision at Milestone 2, so identifying potential partners or contractors. This is particularly important if organisations are intending to manage the build themselves, given that there might be waiting lists for getting building work done.

Project Outcomes

Question: Please can I clarify if all the milestone tasks have to be achieved eg. a planning application/ capital bid/ registration, as it says "and/ or " on the slide. If only 1 of the tasks is going to be achieved does this mean that the application is acceptable?

The programme is expecting grantees to have completed all the work required by the end of March 2022, to enable them to go onto achieve the milestone 5 tasks relevant to their project. Grantees will need to have completed all the work and spent all of the grant received by the end of March 2022, even if they then need a little more time to achieve the milestone 5 tasks that are relevant for their project (submit a planning application and /or capital funding application(s) and/or RP application). There might be only 1 or several milestones 5 tasks that a project needs to undertake to get it 'over the line' to start on site. Grantees will be asked to fill in an end of grant report by 15th April 2022 and another outcome monitoring report in June 2022 to demonstrate the milestone 5 tasks that they have achieved.

Question: Presumably planning consent includes S106 being signed but this is largely outside the groups control. Will there be any acceptance of issues like this if they go beyond the timescale for the grant?

The programme is expecting grantees to have completed all the work required by the end of March 2022 to enable them to go onto submitting a full planning application in Spring 2022. Grantees are not expected to achieve planning consent by the end of March.

Application and Approval Process

Question: After submitting an application how long will it take to get a grant approved and receive the funding?

An assessor will have up to 10 working days to complete the assessment but the assessment may take longer if they have queries for the applicant or request further info and supporting documents from the applicant. The grants committee meetings in which decisions are made will take place every 1 to 2 weeks. There are 10 committee meetings scheduled between September and the end of November. If we receive a large number of applications, your assessment might not be able to be reviewed at the next grant committee meeting.

If a grant is approved, the grant administrator Groundwork, will request that a grant agreement is signed and further information provided to undertake a due diligence process. The speed of this will depend on the applicant, but usually takes 1 to 2 weeks. Once complete, a grant payment will be made. We recommend leaving 6-8 weeks from the date the application is submitted to the start of your project plan to spend the grant.

Question: The guidance says we cannot apply for work starting until after the assessment decision, does this include due diligence?

We cannot fund activity that has happened in the past, or prior to the grant being awarded. If you have a grant approved, please do not start spending any money until you have received a grant agreement and confirmation from us in writing. Any spend that occurs before the due diligence process and before the first payment is received, would be at the group's risk.

Question: In the event that a project is a Joint Venture with a HA, will due diligence be carried out on all parties, or just the CLT applicant?

The due diligence will only be carried out on the applicant, not the partner HA.

What Can be Funded, Budget Information

Question: Can we apply for funding to appeal a planning decision?

A key requirement of this programme is to prove the deliverability of your housing scheme. One element of this is providing evidence of a clear path to achieving planning consent. If the planning application has been rejected it may be difficult for you to prove deliverability at this stage in your project. Once your appeal had been successful, then your scheme would be in better position to prove deliverability.

Question: Is land purchase allowed as part of the funding provided?

Capital funding is not eligible as part of this programme, so land purchase is not an eligible cost. Any revenue costs associated with a land purchase could be covered such as legal fees.

Question: Can we apply for fees for installing utilities?

Fees for installing utilities such as electricity and water are a type of capital cost and so are not eligible costs under this programme. Only revenue costs can be funded.

Question: Are costs such as annual insurances already paid, but with pro rata costs requested for the remaining period be eligible?

No, we cannot pay for these costs as any expenditure incurred before the issue of a funding agreement will not be an eligible cost.

Question: Is capacity building for the board an eligible cost?

If the capacity building is directly related to the skills required to deliver the scheme then this would be an eligible cost.

Question: Do we need to submit quotes for budget items for over 10k along with the bid itself? (i.e. do we need to go through the process of getting three quotes before we submit the application?)

Obtaining quotes and appointing suppliers can occur after the grant has been approved. You will need to think about how you can demonstrate you are asking for a realistic amount of funding for this piece of work and how you can demonstrate you will have time to tender and complete the work. If services need to be procured by undertaking a tendering process, this should be explained in the application form and a timetable given. The ability to undertake pre-development work and spend the grant by the end of the grant funding period will be one aspect of deliverability that the grant assessors will look at.

You must secure value for money in the purchase of goods and services and have appropriate procurement policies and procedures in place. For items under £10k one quote is sufficient, but for items over £10k a competitive tender process should be used and at least three quotes sought. Where there is only one supplier capable of providing the goods and services you may follow a single tender procedure.

Question: Will the fund be paid in advance?

Funding will be paid out in instalments and payments will be paid in advance to help groups to fund the work required to complete the next milestone.

Question:

Is it actual spend by the 31st March or invoices received by the 31st March 2022?

There must not be any **CHF funded activity** taking place after 31st March 2022. Invoices need to be raised, dated March 31st 2022 at the latest. As long as the invoice date or item description on the invoice is for work in the grant period up to the end of March, it is OK if the payment from grantees is made a little after the 31st March 2022. The end of grant report to evidence expenditure is due by 15th April.

Question: Can a grant cover an RP application and associated costs for existing organisations wishing to apply for their existing and not new stock?

This programme will only support schemes in which additional affordable housing is being created.

Question: Does our steering group time count towards the in-kind amount? How far back can we back-date this in-kind work? How far back can we include previous in-kind work?

Steering group time can be included toward the in-kind amount, provided that the applicant can demonstrate that the work carried out is attributable to the proposed community led scheme. In-kind calculations can include all the previous in-kind pre-development work undertaken on the scheme.

Our expectation is that groups should contribute at least 10% of the estimated pre-development costs of the community housing proposal. The minimum 10% provider contribution can be other funding secured previously such as grants, partner contributions or community shares (as long as it is not other central government funding) as well as in-kind contributions.

Types of Schemes

Question: Can our scheme be any mix of affordable tenures?

Yes, a mix of tenures of both affordable and market rate properties is ok and encouraged. Your scheme can also be a mixed-use scheme, although this programme will only pay for housing pre-development costs.

If schemes have mixed tenures, with affordable housing and market sale/rent, then these schemes can be supported with a proportion of pre-development costs met, based on the amount of affordable housing that is proposed in the scheme.

Question: What does affordable mean in this context? Would it support something like Mutual Home Ownership?

All types of affordable housing schemes will be eligible as long as the project is providing some housing that is affordable and remains so in perpetuity.

Projects with non-standard tenures, such as Mutual Home Ownership Schemes (MHOS), are eligible to apply if they can show how the capital funding will be secured. There is currently no capital funding available through the Community Housing Fund.

Question: Is there any flexibility in the definition of "Affordable housing" that will be used? Would the grant be able to support units being offered at a smaller discount from market values than is usually used for affordable housing?

The definition of affordable housing is the one used by the government. This means you will need to offer some accommodation at 80% or less of market rates (rent and sales).

Financial Information:

Question: In the funding breakdown spreadsheet, should we include associated costs with becoming a Registered Provider (RP) in the 'Pre-development revenue costs' line or the 'Other' line? (Scheme Cost tab)

Costs associated with becoming an RP, such as the fees to the Regulator, CLH adviser fees and staff time, should be added to the 'Other' line.

Question: What types of CHF funding should be included in the 'CHF Grant Per Unit' calculation?

Please add up the CHF revenue grant received to date for this project from the Homes England CHF Revenue Fund 2018-2020 and the grant that you think you are going to request in the CHF 21/22 programme. Please divide this total by the number of housing units in your scheme.

Please note: The guidance was changed to this wording above in the first week of the programme being launched. CHF funding provided by a local authority does not need to be included.

Question: Should all pre-development costs be included, not just those that are project specific- for example membership drives, website and marketing for the group?

The costs related to the particular scheme should be included in the pre-development costs.

Subsidy Questions:

Question: What types of support should be included in the de-minimus calculation? We are receiving an asset transfer of land from the Local Authority at nil cost. Should the value of the land be included in the amount of support we are receiving within a 3-year period?

We recommend that applicants should seek and rely on their own legal advice regarding subsidy control compliance matters. It will be your responsibility to ensure that any grant awarded will be lawful.

There is currently a minimal financial assistance threshold (previously known as a de minimis exemption) of circa £350,000 calculated over a three-year rolling basis. It applies to all public grants received over a 3-year fiscal period, whether from this fund or from other public funds for different projects.

It is our understanding at this time that it also includes public loans at preferential rates and discounted public land/buildings. We recommend that any discount in the sale price of land/buildings from a public body should be included in your calculation of how much support you have received every 3 fiscal years.

It is our understanding that capital grants from central or local government for affordable housing projects (such as from the Affordable Homes Programme) do not need to be included in this calculation.

The minimal financial assistance threshold calculation is based on 325,000 Special Drawing Rights (SDR) given to a single beneficiary over three years. Special Drawing Rights are an IMF unit and 325,000 SDR is currently approximately £332,000. Any forms of support below this amount are out of scope of the TCA's obligation to apply the principles of a subsidy.

Question: We received a grant from Homes England last March, when the limit was Euro500k per every 3 years/ per organisation, under EU rules. Can we count that funding as in the 'past' and just include land values and the new grant we will be bidding for in our next 3 year cycle?

Any government support considered to be State aid over the last 3 years would be included in the minimal financial assistance threshold calculation. There has not been a cut-off point between one sets of EU rules and the new UK government subsidy rules. The circa £350,000 limit is being calculated on a rolling 3 fiscal year basis and so any government support provided whilst under EU State aid rules deemed to be State aid within the last 3 years should be included.

Question: Is state aid/subsidy rules applicable per project or per organisation?

The new minimal financial assistance threshold is a circa £350k limit per rolling 3-year period per group, not per project.

Question: We believe our project has no effect on international trade and therefore we think no funding limit of £350,000 applies as this does not meet the Government definition of subsidy. Is this correct?

When the UK was part of the European Union, an exemption was granted under the Services of General Economic Interest (SGEI) decision (2012 /21/EU) for an organisation's revenue/operational costs in relation to taking steps to test the viability of community affordable housing and the design and planning application costs of such housing in a local area. The SGEI decision enabled Homes England to provide aid covering the eligible pre-development costs of providing affordable housing which would sit outside of the De Minimis State Aid regulation.

Unless the government agrees an exemption for the new subsidy regime, the programme can only issue grants using the minimal financial assistance threshold calculation of circa £350,000.

Valuations

Question: We have done a valuation report of the land and properties in question in 2019. Would that be accepted, or do we have to re-evaluate?

We recommend that you look at the valuation report to see how long the valuation is valid for. Validity periods may vary according to changes in RICS guidance and individual practices. The report will usually say “this report is valid for a period of xxx months from the date of this report”.

If a valuation is out of date, we recommend that you upload the valuation report that you have to your application form and submit your application. We recommend also going back to the valuer as soon as you can to seek an email to confirm the original report is still valid or request a re-valuation. This information can then be submitted to the grant assessor at a later stage.

The Homes England capital fund guidance on valuation advice states that your valuation report for the site/property acquired must be valid at the date of exchange of purchase contracts. If you are planning to apply for a Homes England capital grant you will need an up to date valuation report. This includes acquisition events of any kind (even for an acquisition at nil value).

Question: The feasibility section stipulates “Valuation reports by a RICS valuer to advise on the valuation of the land/property and rental values”. As the CLT has acquired the land for the scheme. Can you confirm in this instance a land valuation would not be required?

Applicants who have already purchased land should submit evidence of the price paid for the land acquired. If there was any gift or discounted sale from a public source in the last 3 years, then a valuation done at the time of the gift will be required to provide evidence of the size of the gift from a public source to determine subsidy compliance.

Question: We had understood that looking at average house prices in the area was good enough as a rental valuation - do we need an official rental valuation? Would the cost of this valuation be eligible for this funding?

Ideally you will have already commissioned a market rent assessment, but if you can provide sufficient other evidence of rental prices, the grant committee may approve an official valuation to be undertaken using the grant.

Support to apply

To discuss particular scheme proposals and whether the Programme is suitable, applicants are invited to contact their local Enabler Hub for advice. Details of your local Enabler Hub can be found here communityledhomes.org.uk/find-your-local-hub.

If applicants have specific questions about the application process or application form that can't be answered by the nearest Enabler Hub, please contact grants@communityledhomes.org.uk.

We recommend that you seek advice from a community led housing advisor before applying to the Programme. An experienced advisor will be able to help you to consider the costs you are likely to incur and help you put together a budget.



Community Led Homes

Community led housing is a way that people and communities can come together to solve their own housing challenges and provide high quality and affordable homes. The homes are managed or owned by the community in the way they want.

Community Led Homes is run by four leading community-led housing organisations: Confederation of Co-operative Housing, Locality, National Community Land Trust Network and UK Cohousing.

We have come together to make it easier for communities to access support and build a lasting movement.

**Register to hear all the news about events,
training and funding.**

communityledhomes.org.uk



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