

Homes England Capital Funding For Rented Accommodation

1. The Affordable Housing Programme

Funding for refurbishing vacant property is available as part of the Affordable Homes Programme.

This funding stream exists because Homes England have carried forward the arrangements that were in place for the 2012-5 Empty Homes Programme and included them in their Affordable Housing Programme.

This can be secured in respect **properties purchased and in need of refurbishment**. Properties must have a life expectancy of 30 years after refurbishment.

<https://www.gov.uk/guidance/capital-funding-guide/8-procurement-and-scheme-issues>

(See Section 3.3 “Rehabilitation Requirements & Scheme Types”)

Or in respect of **properties on lease from their owners** (minimum lease of five years)

<https://www.gov.uk/guidance/capital-funding-guide/8-procurement-and-scheme-issues>

(See Section 4 “Other Scheme Types”)

To access either of these funding streams, or the Community Housing Fund (below), it is necessary to be a *Registered Provider*. See Self Help Housing Briefing “*Securing Registration As A Registered Provider And Capital Funding From Homes England*”

2. The Community Housing Fund Phase 2 : Capital Funding

£163m Programme which runs from July 2018 –31st March 2020.

The terms & conditions relating to the availability of capital funding are set out in what is called an “Addendum” to the CHF Prospectus. You can access it here:

<https://www.gov.uk/government/news/phase-two-of-the-community-housing-fund-is-now-open>

In Summary (Page refs. relate to the CHF Phase 2 Addendum):

- **Access To Funding:** Funding will be accessed via Homes England (& the GLA in London).

-**Grant Levels:** These are not set out anywhere, but Homes England understands that small community led organisations, unlike mainstream housing associations, have very limited financial muscle and therefore the element of grant, as a percentage of overall costs, needs to reflect this.

-Funding For Developing Rented Accommodation: It is a requirement for Phase 2 Capital Funding that an organisation must secure “Registered Provider” status, if it wants to develop rented housing and retain ownership of it. Registration must be secured before completion of any developments funded through those programmes and any payment of funding.

(Para 22 of the Addendum somewhat confusingly refers to RP status being a requirement for organisations wanting to be “the landlord” of low cost rental properties funded by Homes England, but by “landlord”, they mean the owner of the property).

-Developing Other Forms Of Tenure (eg Shared Ownership): Because this form of tenure wouldn’t result in the organisation actually owning the property itself, it’s only necessary to become a Homes England *Investment Partner*, instead of being also a Registered Provider. (see par 23 of the Addendum)

For an explanation as to how Investment Partner Status and Registered Provider Status work and can be secured, see the Self Help Housing “*Homes England Registration & Funding Briefing*” .

-Working in Partnership with A Housing Association (which is already a Registered Provider):

This is a possible option (see para 17) , but since only a registered provider can own the resulting property/asset, it means that the CLH (community led housing organisation) would merely end up as partners to some sort of management agreement and wouldn’t benefit from securing an asset or having a rental income stream in perpetuity.

-Eligible Organisations/Projects: The definition of what qualifies as “Community Led Housing” (who can bid for funding) remains the same as set out in the Prospectus for the CHF Programme which was published in July 2018

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/721611/CHF_prospectus_-_FINAL.pdf

“ Para 7. In order to ensure that the schemes supported by the Community Housing Fund are truly community-led, proposals should ensure that:

- *meaningful community engagement and consent occurs throughout the development process. The community does not necessarily have to initiate and manage the process, or build the homes themselves, though some may do;*
- *the local community group or organisation owns, manages or stewards the homes and in a manner of their choosing, and this may be done through a mutually supported arrangement with a Registered Provider that owns the freehold or leasehold for the property; and #*
- *the benefits to the local area and/or specified community must be clearly defined and legally protected in perpetuity.*

If you are not sure if you qualify as a CLH organisation, then talk to one of the HE contact people listed at the end of this briefing. .

-Refurbishment Projects Are Eligible: In addition to new build homes, the Fund will support the acquisition of existing properties for conversion or refurbishment. (Para 6)

- Criteria For Assessing Bids (p10): Homes England will assess all bids against the following key criteria:

- Value for money

- Deliverability
- Strategic fit

- **Bidding:** The fund will run until 31st March 2020 and will remain open to receive new applications until funding is fully committed, or until 31/12/19, whichever occurs first. The Prospectus published in July 2018 & the Online Bidding Guidance can be found here:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/721611/CHF_prospectus - FINAL.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/721611/CHF_prospectus_-_FINAL.pdf)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/721270/Community_Housing_Fund_Online_Guidance.FINAL.pdf

Homes England Contacts

If in doubt, you can contact a designated person from Homes England in each region to discuss how you might proceed.

The Prospectus provided this advice:

“104. If bidders have any questions about the Fund or how to bid, they are advised to email Homes England at communityhousingfund@homesengland.gov.uk.

Bidders should note that where questions raised may be of general applicability to all prospective bidders, these and our response will be published on the Homes England GOV.uk website.

105. To discuss particular scheme proposals, bidders are invited to contact the Homes England area investment teams.

Details of area leads for this Fund are provided in the table below:

<u>Homes England Operating Area</u>	<u>Contact name</u>	<u>Email address</u>	<u>Telephone number</u>
Midlands	Sarah Streater	Sarah.Streater@homesengland.gov.uk	0115 852 6905
North East, Yorkshire and the Humber	Helen Fielding	Helen.Fielding@homesengland.gov.uk	0113 394 9393
North West	Ann Seipp	Ann.Seipp@homesengland.gov.uk	0161 200 6136
South East	Becky Ashley	Becky.Ashley@homesengland.gov.uk	0122 337 4001

South West

Matt Dodd

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NB: The Community Housing Fund in London will run via the GLA and at the time of writing (29th September) details have not been published.