

Community Housing Fund Briefing

Summer 2021



The Government established the Community Housing Fund (CHF) to:

- increase housing supply in England by increasing the number of additional homes delivered by the community-led housing sector;
- provide housing that is affordable at local income levels and remains so in perpetuity; and
- deliver a lasting legacy for the community-led housing sector in the form of an effective and financially self-sustaining body of expertise within the house building industry in England.

The CHF was first announced in the Spring 2016 budget. In 2016-17, £60m was disbursed to 148 local authorities to support community led housing, with mixed results. The sector then worked with MHCLG to establish a structured programme to achieve the above objectives, which launched in the summer of 2018. This had five main elements:

1. Revenue funding for groups to start and develop projects, secure a site or building, secure planning permission, and register with the Regulator for Social Housing if applicable.
2. Capital funding for types of affordable housing not supported by mainstream affordable housing programmes (e.g. discounted market sale, mutual homeownership).
3. Revenue funding for the sector's market infrastructure - enabler hubs and advisers to support groups and improve pipeline delivery.
4. Capital funding for infrastructure, open to local authorities to bid on behalf of projects.
5. Revenue funding for local authority capacity to support projects.

The programme was a huge success. It increased the potential pipeline of homes from 5,810 to over 23,000, with 12,000 homes in deliverable projects. It also developed a network of 25 enabler hubs covering most of England, with over 120 advisers completing a CIH-accredited training and accreditation scheme. Over half the local authorities in England now have policies and/or officers to support community led housing.

Research by respected consultancy Capital Economics found that community led housing represents high value for money for public investment, generating £2.70 for every £1 spent.

While the fund remains open in London until 2023, it closed for the rest of England after only 18 months, in December 2020. The revenue funding was oversubscribed, and Homes England reported over 10,000 homes stuck in live cases in its system. MHCLG has put a further £4m to re-open the revenue funding for groups with advanced projects in 2021-22, with at most 5 months for them to spend the grants.

Based on forthcoming research by Dr Tom Archer, we estimate a need for £45 million of revenue funding and £12.5 million of capital funding to deliver the pipeline over the next four year spending period.

Case studies from 2018-20 programme



Cornwall CLT - homes sold to local people in areas affected by second homes

Established in 2006, Cornwall CLT has built more than 230 new affordable homes across the county. It pioneered a form of affordable housing where homes are sold at a discounted price, calculated to be affordable to the median average household income, with the discounts carried forward for future buyers in a covenant. Projects are co-created with local communities, and built to their own construction standard to achieve high energy efficiency and ecology standards. The CLT drew grants totalling £398k from the CHF to progress four new projects. It is also acting as the enabler hub for the county, supporting other CLTs, cohousing communities and co-operatives.



Marshfield CLT - affordable homes in a green belt AONB parish

After local residents blocked a planning application in 2016, this CLT was set up to try to meet the local housing needs with community approval. A CHF grant of £77k enabled them to secure a site, undertake necessary feasibility work, and to create a partnership with Brighter Places Housing Association. The CLT and association are working in partnership, and gained planning permission in May 2021 for 15 homes built to Passivhaus standard.



Dinnington CLT - delivering a neighbourhood plan in a former mining town

The South Yorkshire ex-mining town, Dinnington, has never really recovered from the closure of the pit. The community developed a Neighbourhood Plan to shape and direct regeneration in the town centre, improve green space and sports facilities, and increase the stock of affordable homes. They then formed a CLT To deliver this, and used a £30k grant from the CHF to get a first project off the blocks - 30 social rented homes built to the Future Homes Standard on a piece of land abandoned for over 20 years. They have also created an investment partnership and worked with their borough council on a Leveling Up Fund bid to begin the town centre regeneration.



Herstmonceux CLT - pioneering modern methods of construction

Engagement of local people in design and planning of a scheme in Herstmonceux near Eastbourne has been vital in developing a new scheme of 17 CLT homes in this picturesque village. Modern methods of construction and a 'landscape led' approach means that the homes will be built far more quickly and will be way more energy efficient and carbon neutral than traditional building. Build time is only around 12 months. A £274k grant financed the group to secure the site, develop a feasible project with the community and obtain planning permission.



Bristol City Council - public land disposals for community led housing

Using a £535k grant from the CHF, the city council was able to create an enabling framework for communities across the city - funding the enabler hub to support groups, officer capacity to help them engage the council's housing and planning services, and a policy framework to dispose of surplus public land to communities based on maximising social value. The first round of 11 sites are live, and a second round is forthcoming.

CLT Leeds Community Homes - building where no-one else would

Leeds Community Homes are about to build 34 new affordable homes in one of the most deprived parts of the city on derelict land between two tower blocks that no developer or housing association was willing to build on due to sloping land and low house prices and rents in the area.

A CHF of £175K grant combined with funding from Power to Change financed pre development work, including extensive community consultation and engagement not just in design of the homes but also plans for the open space around the new homes. Much of the build cost will come from a community shares offer. The aim is that this scheme will act as a catalyst for further regeneration in the area.

