

MAYOR OF LONDON

London Community Housing Fund

FUNDING PROSPECTUS

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CONTENTS

Foreword	3
Introduction	4
Community Housing Fund Overview	6
Objectives	6
Definition	6
Funding	6
Programme operation	8
Eligibility	8
Registered provider status	8
Timescales	9
Application process	9
Contracts and programme management	11
Delivery models	11
Revenue funding	15
Capital funding	17
Fixed grant rate route	17
Negotiated grant rate route	17
Other capital grants	18
Development finance	19
Assessment criteria	20
Deliverability	20
Value for money	20
Strategic fit	21
Other information	22
State Aid rules	22
Timetable	24
Further information	24
Appendix 1	25
Appendix 1- Revenue milestones	25
Appendix 2 - Building safety	

Foreword

In recent years, London has become far too reliant on big developers. At City Hall, we want to see councils, housing associations, and Londoners themselves playing a much bigger role in building the social rented and other genuinely affordable homes that our city needs.

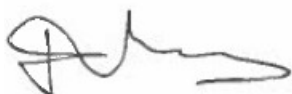
The Mayor knows the community-led housing sector makes an important contribution to new and affordable housing, and that it has the potential to build far more than is currently the case. In his first two years in office, he has been proud to support the sector through grants from his *Homes for Londoners Affordable Homes Programme*, and through his financial support to get the *Community-Led Housing London Hub* up and running.

The Mayor is now proud to launch the *London Community Housing Fund*, which he hopes will build on progress during his first two years in office and support those in the sector to go even further.

The Fund makes £38 million available – a combination of revenue and capital funding to support building new homes that are genuinely affordable for local people. This will include a revolving loan fund of up to £10m, which will help make the sector more sustainable.

At City Hall we are ambitious for the community-led housing sector. We want to work with everyone involved to help translate people's energy and commitment into real plans and homes. We hope the Fund will help us work with the sector to build up a strong pipeline of new community-led housing schemes in London.

By helping community-led groups play a leading role in developing and managing London's new homes, we hope this Fund will mean we can all benefit from a city for all Londoners, built by all Londoners.



James Murray
Deputy Mayor for Housing and Residential Development

Introduction

- 1.1. The Mayor wants Londoners to be more involved in planning and delivering new homes. Community-led housing is about Londoners playing a positive role in solving their own and their communities' housing problems by developing, managing and/or owning new genuinely affordable homes themselves. The community-led housing sector comprises a wide range of ownership, occupancy and management models including (but not limited to) Community Land Trusts (CLTs), co-operatives, and co-housing. Within the sector a range of tenures are possible, including shared ownership, rent, and market sale, but the Mayor is particularly interested in supporting community-led groups to deliver forms of affordable housing.
- 1.2. The Mayor is committed to supporting the community-led housing sector to grow. The London Housing Strategy sets out an ambition to work with community-led organisations to identify a pipeline of schemes by 2021, that has capacity to deliver at least 1,000 homes.
- 1.3. The Mayor acknowledges that groups that wish to develop community-led housing schemes face a range of challenges, which have constrained the supply of new community-led homes in London. It can be difficult for community groups to access the necessary skills and expertise to deliver a scheme. Securing the right support can be difficult; in particular, groups may struggle to access affordable finance or secure new infrastructure and may lack funding to initiate new schemes. Affordable land also poses as another barrier when developing new community-led homes.
- 1.4. The Mayor is helping community groups overcome this barrier by funding the new Community-Led Housing London Hub (CLH London Hub), which provides the much-needed expertise and advice community groups require to develop their own homes. In addition to supporting the CLH London Hub with £250,000 of GLA funding, the Mayor has received support from a number of London boroughs. The Community Housing Fund ('the Fund') will also provide the Hub with an additional boost to service provision. The Mayor's 'Small Sites, Small Builders' programme has also created a new approach through which community groups can secure sites, based on a competitive disposal process for Transport for London land. Previously, community groups have been able to bid for funding through the Mayor's Innovation Fund, which provides funding for innovative ways of delivering more affordable homes in the capital. Community-led housing schemes have benefited from this funding, allowing them to bring forward homes that otherwise wouldn't have been developed.

- 1.5. Availability of funding is fundamental to the development of community-led homes, which is why the Mayor now wants to step up City Hall support for community-led housing. To do this he has established a £38m London Community Housing Fund, opening on 16 January 2019, to help Londoners access the finance they need to play a leading role in developing their own communities. This will include a revolving loan fund of up to £10m, further enhancing access to revenue funding and development finance available to the sector. The Mayor has provided this revolving loan fund to support the sustainability of community-led homes. The community-led housing sector is adept at developing specific ownership and tenancy arrangements that best suit local circumstances and preferences, and this diversity will be recognised in the delivery of the Fund.

Community Housing Fund Overview

Objectives

- 1.6. The Community Housing Fund has three objectives:
- to support communities to develop new housing that is affordable to local people and remains so in perpetuity;
 - to increase overall housing supply in London by increasing the number of additional homes delivered by the community-led housing sector; and
 - to deliver a lasting legacy for the community-led housing sector in the form of enhanced knowledge, expertise and capacity to build, own and manage new homes.

Definition

- 1.7. Although the legal form and activities of each community-led housing scheme differ, schemes that are genuinely community-led all share three common principles. These principles will be used by the GLA as the definition of community-led housing for the purposes of the Fund:
- meaningful community engagement and consent occurs throughout the development process. Communities do not necessarily have to initiate the conversation, or build homes themselves;
 - 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; and
 - the benefits of the scheme to the local area and/or specified community group are clearly defined and legally protected in perpetuity.
- 1.8. Although these three principles will be seen consistently across all schemes supported by the Mayor, the delivery model and legal form chosen by community-groups may vary. Examples of potential delivery models to consider are included in section 2.

Funding

- 1.9. The Mayor is making funding available to applicants who meet the principles set out above. The GLA welcomes applications to the Fund for three types of funding:
- revenue funding: the GLA is providing the CLH London Hub with funding to help community groups progress proposals for new developments from inception, and for other pre-development costs. The GLA is also providing funding to help community groups prepare planning applications and cover post-planning costs (section 3);
 - capital grants for affordable housing (section 4); and
 - development finance for affordable housing (section 5).

- 1.10. The Fund will be delivered in a way that is consistent with the objective of increasing housing supply in London and delivering value for money. Funding will therefore not be awarded for schemes that are likely to proceed without this funding.

Programme operation

Eligibility

- 2.1. Applicants which are constituted as a corporate body¹, or an equivalent form of a constituted body are eligible to bid for funding. Eligible organisations include (but are not restricted to):
 - a community benefit society
 - a co-operative society;
 - a company limited by guarantee;
 - a community interest company;
 - a registered charity;
 - an organisation of another type operating as a social enterprise and principally reinvesting their surpluses for social benefit;
 - a registered provider; or
 - a local authority.
- 2.2. The list above is not considered to be exhaustive and bidders should contact the CLH London Hub for further guidance if required.
- 2.3. To be eligible for funding, applicants will also need to demonstrate that their proposal supports community-led housing as defined in paragraph 1.7.
- 2.4. Local authorities or registered providers may apply on behalf of community groups only with the express written permission of the community-led organisation. In those cases, the lead bidding organisation (local authority or registered provider) will remain directly accountable for the funds, where appropriate.

Registered provider status

- 2.5. Organisations applying for revenue grant funding are not required to be registered providers of social housing. However, it should be noted, that organisations that intend to be the landlord of completed low-cost rental properties funded by capital grant from the Fund must be – or intend to become – registered providers of social housing with the Regulator of Social Housing. This must take place before completion of any developments funded through this programme and before any payment of funding is made. The GLA must require this under the terms of the Housing and Regeneration Act 2008. Applicants may also consider partnering with

¹ A body body corporate is any body which has been formally incorporated, for example by registration as a company with Companies House under the requirements of the Companies Act 2006

a local authority or registered provider for them to be the landlord for low-cost rental homes. This does not necessarily preclude the community organisation maintaining an interest in the properties.

- 2.6. Organisations are encouraged to consider the implications of seeking registration with the Regulator and to familiarise themselves with the ongoing obligations of being a registered provider of social housing. Information on that can be found at <https://www.gov.uk/government/publications/regulatory-standards> and at <https://www.gov.uk/government/publications/social-housing-regulation-regulating-the-standards>. Further advice can be sought from the CLH London Hub.
- 2.7. Organisations would also need to consider alternative plans should their application for becoming a registered provider of social housing not be successful. The requirement to be a registered provider of social housing does not apply to organisations that will act as the landlord of non-low-cost rental properties. Where an organisation is delivering homes for low-cost home ownership (shared ownership or discounted market sale), for example, there is no requirement for that organisation to be a registered provider.

Timescales

- 2.8. The GLA welcomes applications from all eligible bidders. The Fund will remain open from 16 January 2019 for continuous bidding and will receive new applications until the funding is fully committed. There is no initial deadline for submitting an application and bids will be assessed on a regular basis.

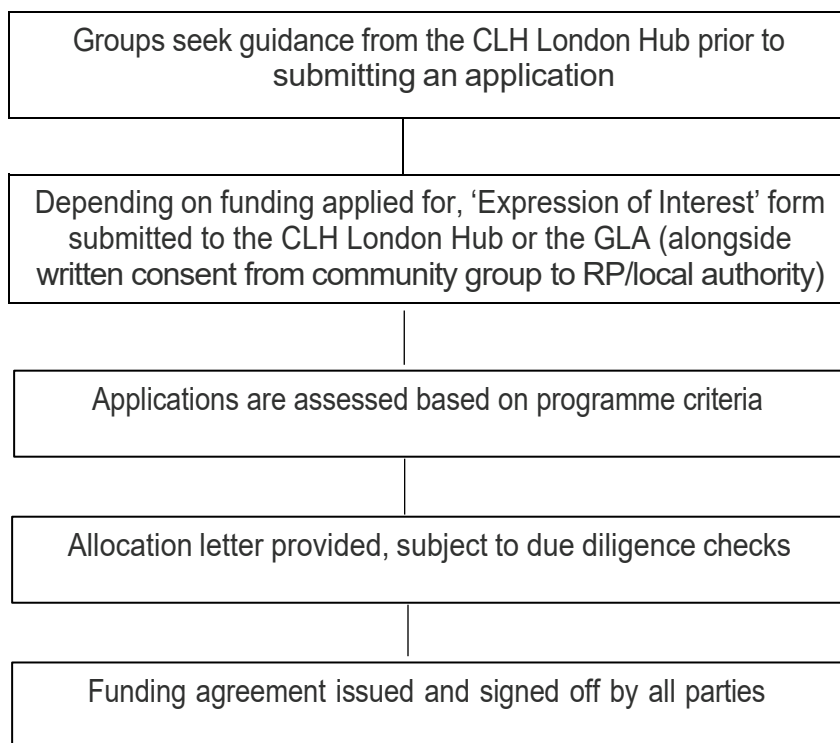
Application process

- 2.9. Community-led groups considering an application for revenue funding or capital funding to support the development of new community-led homes, should liaise with the CLH London Hub (www.communityledhousing.london) in the first instance. This service, supported by the Mayor, provides expertise and advice to the community-led sector, and will help groups to develop applications to the Fund. The CLH London Hub will fund early stage revenue grants, whereas the GLA will fund advanced stage revenue grants
- 2.10. The GLA intends to work closely with the CLH London Hub to support the administration of revenue funding. All applications for revenue funding should be submitted to the CLH London Hub, who will review applications for revenue funding for the early stages of a scheme (such as feasibility work up to and including securing a site). This will be in accordance with the London CLH Hub's assessment criteria set out in the 'Expression of Interest' form for revenue funding. The GLA will hold responsibility for reviewing and administering revenue funding for more advanced stages of a scheme, and the GLA will approve or decline all applications for capital funding, according to the assessment criteria set out in section 6 of this

prospectus.

- 2.11. This prospectus sets out the guidelines by which bids for funding should be made, and the basis on which applications will be assessed. However, the Mayor recognises that the diversity of the community-led housing sector means that a flexible approach to funding is needed. If in doubt, contact the CLH London Hub for guidance.

The flow chart below provides an overview of the application process.



- 2.12. All organisations applying to the Fund must submit an 'Expression of Interest' form, which can be found on the GLA website: www.london.gov.uk/clh. If you are applying for revenue funding, please email your completed form to info@communityledhousing.london. If you are applying for capital funding, please email your completed form to CommunityLedHousing@london.gov.uk. In the first instance, applicants are strongly encouraged to discuss their intended revenue and capital bids for homes with the CLH London Hub.
- 2.13. Once bids are received, applicants will receive a notification to confirm receipt of their bid. Bids will be assessed on a case-by-case basis against the assessment criteria for the Fund (see section 6, or the 'Expression of Interest' form for revenue funding). Applicants can expect to hear from the GLA or the CLH London Hub regarding their application within three months of submission. This may vary depending on each application submitted.

- 2.14. Eligible organisations may apply for revenue or capital funding or both. There is no restriction on the number of bids that one organisation can submit (subject to the recipients' compliance with State Aid requirements – see section 7).
- 2.15. Applications for funding to support schemes to create mixed use developments (i.e, comprising residential and non-residential elements) are welcomed. However, funding is only available to support the housing elements of the project (including, where relevant, communal facilities such as a lounge area or a shared kitchen).

Contracts and programme management

- 2.16. If successful in securing grant through this programme, applicants will be required to enter into a form of funding agreement. Contracts may vary depending on the organisation and the activity being funded.
- 2.17. Funding agreements will include the agreed delivery milestones for the projects that the GLA or the CLH Hub has committed to fund. Recipients' performance against these delivery milestones will be monitored on an ongoing basis. The GLA will be flexible when issues with project delivery are flagged at an early stage, but will reserve the right to review a recipient's grant allocation where a recipient cannot deliver a project or replace it with an equivalent project.
- 2.18. Providers must be qualified as a GLA Investment Partner before they can receive grant, and providers who are not a GLA Investment Partner will need to submit an application for qualification. Further information about the GLA Investment Partner qualification process can be found on the GLA's website at <https://www.london.gov.uk/what-we-do/housing-and-land/investment-partner-qualification>. Unregistered providers looking to offer London Shared Ownership will be required to undertake further due diligence in addition to the Investment Partner qualification process.

Delivery models

- 2.19. There are many different routes to delivery for community-led housing. It is anticipated that some applicants will have a clear view on their preferred delivery route, but others may wish to explore this further before they apply for funding. In the first instance, it is suggested that applicants should discuss their route with the CLH London Hub. The Mayor's preference is to fund housing schemes that will benefit others in the local community beyond a core group. However, a flexible approach will be taken, provided applicants can demonstrate that their chosen delivery model is suitable for local circumstances.
- 2.20. Below are examples of some forms community-led housing delivered homes 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; and
- partnerships with developers and housing associations supporting a community group to deliver their ambition.



Older Women’s Co-Housing (OWCH)

OWCH is the first senior co-housing community in the UK, formed as a group of women over fifty in 2003, as an alternative to living alone. They are a fully mutual company, who manage their community through regular group meetings and a small elected management committee. Hanover Housing Association forward funded the scheme and on completion, sold 17 homes to OWCH buyers and eight to Housing for Women, a small housing association, that manages the socially rented units. OWCH moved in to ‘New Ground’ in 2016.

The Rural Urban Synthesis Society (RUSS)

RUSS is a CLT and their Church Grove Scheme in Ladywell will deliver 33 affordable homes. RUSS secured the site from Lewisham Council through a competitive process in 2016. Five of the homes will be allocated by Lewisham Council whilst RUSS will retain at least 20 per cent equity in the remaining 28 properties, ensuring their affordability will be protected in perpetuity. The CLT formed by raising funds to incorporate as a Community Benefit Society in 2009 and members can join by buying a £1 share. Local people will have the opportunity get involved through self-building parts of the project.

Naked House

Naked House was established by four young Londoners in 2013. They developed a model for building affordable homes by stripping them back to the bare essentials, allowing residents to adopt their own homes. The project will deliver 22 homes of resale price capped sub-market units in Enfield on three council-owned former garage sites. The units allow for maximum extension and adaptability, and Naked House will work with residents to help them understand and choose how they want to live. Eligibility and allocation of the homes will be agreed with the council.



Revenue funding

- 3.1. The Mayor recognises that access to financial support for costs accrued early in the development process is crucial to the development of community-led housing. To support the sector to develop plans for new homes in their communities and drive forward new schemes, this programme makes revenue funding available for community-led organisations².
- 3.2. Organisations can apply for revenue funding to support a wide range of activity which will support the preparation and instigation of community-led housing proposals. Appropriate costs may include (not an exhaustive list):
 - feasibility costs;
 - surveys;
 - architects' fees;
 - legal fees;
 - training and capacity-building;
 - planning applications;
 - business planning; and
 - project management.
- 3.3. Groups should have already formed as a corporate body in order to access funding offered through the London Community Housing Fund.
- 3.4. Funding will be made when specified milestones are reached as set out below in Appendix 1.
- 3.5. Revenue funding will be available as grant, which may become recoverable if the initial project progresses to successful completion of the scheme. This will be confirmed for each scheme prior to start on site. Recovered grant will be ringfenced to fund revenue grants for future community-led housing schemes.
- 3.6. The general condition is that the total amount of revenue funding available to an organisation will be capped at €200,000 (sterling cash equivalent). This is necessary to be compliant with State Aid law (which we refer to as the 'State Aid rules' in this prospectus) through the 'de minimis' rules. See section 7 for guidance on State Aid. There may be limited circumstances (permitted under the State Aid rules) where the GLA may (at its discretion) provide more than €200,000 in revenue funding.

² Up to £10 million will be available as part of a revolving loan fund, supporting the future of the sector and creating continued access to revenue funding and development finance

3.7. Bids will be considered against the assessment criteria set out in section 6.

Capital funding

- 4.1. Capital funding will be available to support the delivery of new homes and infrastructure (see paragraph 4.9). Funding for new homes can be used for:
- the construction of new homes;
 - acquisition and/or remediation of land for development;
 - conversion/refurbishment and acquisition of existing properties, provided it can be clearly demonstrated that the homes are being brought back into residential use which would otherwise have not been possible.

Fixed grant rate route

- 4.2. Capital funding will be available through the Homes for Londoners: *Affordable Homes Programme 2016- 21* <https://www.london.gov.uk/what-we-do/housing-and-land/homes-londoners/homes-londoners-affordable-homes-programme-2016-21>, where applicants are developing new affordable homes in London. Bidders can choose whether to apply through the fixed grant rate route, or the negotiated grant rate route.
- 4.3. Fixed grant rate funding will be available as non-recoverable grant for affordable homes at these rates:
- £38,000 per unit for intermediate homes (i.e. those let or sold as Shared Ownership or London Living Rent) started in 2018/19 or 2019/20, or £28,000 per unit for those in 2020/21 or later
 - £70,000 per unit for low-cost rental homes, i.e. those let at London Affordable Rent or Social Rent levels.
- 4.4. Grant will not be repayable provided the homes stay affordable in perpetuity and that this status is legally protected. In the event that any homes are sold and/or cease to meet affordable home status, the GLA reserves the right to claw back all grant provided to support the development of the homes.

Negotiated grant rate route

- 4.5. The GLA will also consider supporting projects at negotiated grant rates, for schemes where this is necessary to bridge a larger financial viability gap, and viability is clearly evidenced.
- 4.6. To qualify for grant on this basis, the GLA will require additional information about projects in order to scrutinise viability calculations and ensure any grant awarded is State Aid compliant. Applicants should note that grant awarded could be higher or lower than the fixed grant rates stated in paragraph 4.3. The GLA will take this

approach when detailed viability work demonstrates that additional gap funding is required to bridge a viability gap and unlock a new housing development.

- 4.7. This route may be suitable for applicants seeking to develop homes using a product/tenure which does not meet the product definition set out in the London Affordable Homes Programme.
- 4.8. The Mayor's preference is for funding London Affordable Rent and Social Rent due to the overwhelming need for genuinely affordable homes for rent in London. He does however recognise that community groups are best placed to identify tenures best suited to local circumstances and will provide grant funding for new homes of alternative tenures (such as Discounted Market Sale) through the Fund.

Other capital grants

- 4.9. The GLA will also consider other types of funding where it can be shown to unlock community-led housing development, such as capital funding for small-scale infrastructure projects such as land remedial work to improve access. Applicants should contact the GLA for further discussion about bespoke funding packages.
- 4.10. There are State Aid rules about the type of infrastructure which may be funded, and in what circumstances, from grants (and other public funding). In order to make compliance with the State Aid rules less complicated, capital grants for local infrastructure projects will only be awarded to local authorities. Other kinds of organisations (such as community groups) are encouraged to request their local authority to apply on their behalf and to act as the accountable body for the grant. Bids for infrastructure costs should clearly demonstrate how they relate to supporting the delivery of the relevant affordable housing and/or its contribution to housing delivery.

Development finance

- 5.1. Applicants can also bid for support for the funding of the construction cost of the homes. In most cases this is expected to be in the form of development finance³, made available as a commercial loan, repayable on completion of the homes. It could also be provided as mezzanine funding, alongside a senior provider of development finance or as a guarantee to a senior debt provider.
- 5.2. The GLA understands the need for a flexible approach to meet the requirements of individual community groups. Applicants are encouraged to consider how grant funding and loan finance can be deployed to support the development of new affordable homes.

³ Up to £10 million will be available as part of a revolving loan fund, supporting the future of the sector and creating continued access to revenue funding and development finance.

Assessment criteria

- 6.1. Bids to the GLA funds will be assessed against the criteria outlined in the paragraphs below. Bids to the London CLH Hub revenue funding will be assessed against the criteria set out by the Hub in the 'Expression of Interest' form.

Deliverability

- 6.2. For capital funding, groups will need to have reached a stage where they can demonstrate that their proposals are deliverable. Consideration will be given to the group's capacity to deliver the project. Projects which have progressed furthest towards the development phase are likely to be able to make the strongest case for funding on deliverability grounds.
- 6.3. For revenue funding, groups will need to demonstrate that they have a clear and deliverable plan to undertake pre-development work that is very likely to lead to a new housing scheme. Applicants' track record or knowledge of the development process can help to evidence deliverability. Where applicants do not hold a track record for previous development, a plan for accessing appropriate support and advice from experts or professionals will be looked on equally favourably.

Value for money

- 6.4. Bids will be assessed based on value for money and bidders will be expected to demonstrate that they have taken full advantage of alternatives to GLA funding. For revenue grants, priority will be given to bids that contribute at least 10% match funding.
- 6.5. For the negotiated grant route, the assessment will take account of the proportion of the funding applied for against the total estimated costs to complete the payment milestones. The assessment will also take account of the ratio of the funding sought relative to the scale of future delivery (i.e. the number of new homes). This consideration will not apply to applications using the fixed grant rate route.
- 6.6. Applications will be assessed in comparison to other bids for community-led housing developments within the GLA operating area.

Strategic fit

- 6.7. Assessments will take account of the extent to which the proposed scheme or activity is likely to contribute to the aims of the Fund.
- 6.8. In order to ensure that schemes supported by the Fund are genuinely community-led projects, bids will be assessed on the level of community control and engagement shown throughout the development process. Applications which can show higher levels of community control will be more likely to receive funding than a similar proposal with little evidence of support.
- 6.9. The close collaboration of the community is expected to lead to community-led housing delivering important additional benefits in respect of social impact, quality of design and innovative construction technologies, tenures and approaches to financing. Proposals that are innovative in these regards may be more likely to receive a favourable assessment. Bidders should also comply with the new building safety standards set out in Appendix 2.
- 6.10. Clarification on proposals may be sought from the CLH London Hub and the GLA prior to the assessment process.
- 6.11. The GLA may undertake due diligence prior to agreeing to allocate funding to ensure viability and discharge our responsibilities in relation to fraud and money laundering. The GLA is required to abide by Anti-Money Laundering (AML) legislation and has a duty to safeguard public money, therefore 'Know Your Customer' checks will be conducted. The GLA's AML Policy applies to loans and recoverable grants from the GLA. Further information and guidance can be found at www.london.gov.uk/clh

Other information

State Aid rules

- 7.1. Organisations bidding for funding should be aware of the following information in relation to State Aid. Applicants should satisfy themselves that their applications are State Aid compliant.
- 7.2. ‘State Aid’ can occur whenever state funds or resources (which include grants being given through the Community Housing Fund) are used to give selective assistance to an ‘undertaking’ (in other words a legal entity that is undertaking economic activity in a market). All aid is illegal unless it can be made ‘compatible’, for example where it is granted and used within an exemption permitted under the State Aid rules, which we deal with below.
- 7.3. A concise explanation of the basics of State Aid can be found at: http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/261384/bis_13-1330_state_aid_the_basics.pdf.
- 7.4. Applicants may also wish to refer to the European Commission’s “Notion of State Aid” guidance which is a useful starting point: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52016XC0719%2805%29>
- 7.5. Many applicants find it useful to seek specialist legal advice when designing their projects to meet the requirements of the State Aid rules. It is ultimately the responsibility of the recipient of any funding to ensure that they comply with State Aid law. If the European Commission⁴ finds that funding which is non-compliant State Aid has been awarded, the grant recipient is required to repay the funding. Therefore, applicants are recommended to consider State Aid issues early in the conception and development of their proposal and seek further specialist legal advice in cases of doubt.
- 7.6. We expect the following exemptions will apply in the context of the London Community Housing Fund:
 - Revenue funding – small amounts of funding are permissible under the ‘de minimis’ rules as they are not considered sufficiently distortive of the market.

⁴ The EU State Aid rules will be transposed into UK domestic legislation under the European Union (Withdrawal) Act 2018. The Competition and Markets Authority is proposed to take on the role of enforcement and supervision for the whole of the UK. More information on the Government’s preparation for the continuation of State Aid rules in the event of a ‘no deal’ Brexit can be found at <https://www.gov.uk/government/publications/state-aid-if-theres-no-brexite-deal/state-aid-if-theres-no-brexite-deal>.

- The total amount of de minimis aid (which can take various forms including grant, loans) awarded over a three-year period, including any de minimis funding allocated through this fund, must not in aggregate exceed €200,000 (sterling cash equivalent). Only aid awarded specifically as 'de minimis' aid will count towards this €200,000 cap. Funding made under different State Aid exemptions (such as under the 'SGEI Decision' and the General Block Exemption Regulation) are not taken into account.
- There may be very limited circumstances where the State Aid rules would allow the GLA to provide revenue funding of more than €200,000. In these circumstances the GLA may consider an increase in revenue funding. However, the fact the GLA could provide more than €200,000 does not mean that it would do so. If the GLA did agree to do this the applicant would be expected to obtain specialist State Aid advice which would have to confirm that the State Aid rules permitted the additional revenue funding. A copy of that advice would have to be given to the GLA.
- Capital funding for community-led affordable housing development – we expect that capital funding would be compatible with the State Aid rules under what we call the 'SGEI Decision' (its formal reference is 2012/21/EU on Services of General Economic Interest (SGEI)). To comply bidders will have to design their schemes to meet the requirements and conditions of the SGEI Decision, including that: the public funding/grants will not be more than is needed to meet the net cost/costs gap (or the difference between the costs incurred and income received) from the community-led affordable housing; the housing must also meet the conditions set out in the prospectus and this document; and that the schemes are legally constituted in such a way that the funding can be provided at least cost to the community.
- Capital funding for infrastructure – we expect that this would be provided to local authorities and they may (in some circumstances) place obligations on community organisation to ensure the funding is given in accordance with State Aid rules. The State Aid rule which applies to infrastructure may vary between schemes depending on the type of infrastructure, whether it is available for use by the general public or only relates to affordable homes.
- Development finance – is expected to be provided on a commercial basis so that no State Aid would occur. In some limited circumstances it may also be possible to explore sub-market funding rates for affordable housing, where doing so would comply with the 'SGEI Decision' as set out above.

7.7. In order to ensure that all revenue payments comply with the 'de minimis' rules, all applicants must declare in their grant application all public assistance which they have received as 'de minimis' funding for the current and previous two fiscal years from any European (not only UK) grant-giving bodies. Any applicants that would,

when including any funding allocated through this fund, exceed the ‘de minimis’ limit will not be eligible for funding.

- 7.8. The GLA will provide a grant notification letter to all successful applicants. Organisations are required to retain this notification for three years and to include any grant received through this fund in any future State Aid declarations to other grant giving bodies to whom they make a grant application.

Timetable

- 7.9. The table below sets out the anticipated timetable for the London Community Housing Fund.

Bidding opens	January 2019
Validation meetings held (if required)	Continuous
Decisions made, bidders notified	Continuous
Monitoring structures agreed, funding agreements signed	Continuous
Funding released	January 2019- March 2023
New homes started on site	From April 2023
Projects complete and loan funding recovered	April 2023 onwards

Further information

- 7.10. The Mayor is supporting the CLH London Hub, which acts as a resource and advice hub within the sector. For further information on how groups can best prepare to submit an application to the London Community Housing Fund, applicants are encouraged to seek guidance by visiting www.communityledhousing.london.

The GLA can be contacted in relation to specific applications on the following contact details: CommunityLedHousing@london.gov.uk.

Appendix 1

Appendix 1- Revenue milestones

Milestone and objectives	Grant administration
<p>Group Stage</p> <p>e.g. incorporating as a legal entity, clarifying governance arrangements, and agreeing realistic project concepts/objectives</p>	<p>The CLH London Hub</p>
<p>Site Stage</p> <p>e.g. Searching for a site and agreeing a site</p>	<p>The CLH London Hub</p>
<p>Plan Stage</p> <p>e.g. design and planning application submitted</p>	<p>The Greater London Authority</p>
<p>Plan Stage</p> <p>e.g. to support changes once a planning application is submitted, or to produce more work during planning</p>	<p>The Greater London Authority</p>
<p>Plan Stage</p> <p>e.g. technical design with the appointment of a contractor to start on site</p>	<p>The Greater London Authority</p>

Appendix 2

Building safety

Following the tragic fire at Grenfell Tower in 2017, the Mayor wants to ensure that London is at the forefront of best practice in fire safety – especially when delivering affordable homes. The fire, the subsequent discovery of widespread use of unsafe materials on high-rise buildings across the country, and the systemic failures set out in Dame Judith Hackitt’s Independent Review of Building Regulations and Fire Safety have highlighted the urgent need for reform. Furthermore, several damaging fires in blocks below 18 metres have demonstrated the need to move away from arbitrary height thresholds as a way of managing safety risk.

The Mayor’s Building Safety Standards (below) must also all be met in any new capital funded build CHF Dwellings. Standards 2, 4 and 5 must be met in any capital funded refurbishment, remodeling or acquisitions. These standards do not apply to nil capital grant schemes.

Building safety standards	
1	The following buildings must include Automatic Fire Suppression Systems, including (but not limited to) sprinklers: <ul style="list-style-type: none"> • All purpose-built blocks of flats (including conversions) of any height • All supported and specialist accommodation.
2	No combustible materials may be used in the external walls of all homes and buildings, regardless of their height ⁵ .
3	All homes must include access to water supplies for firefighting in accordance with Water UK’s national guidance document .
4	For all homes, investment partners must register any in-built electrical products, such as white goods, with the manufacturers’ registration service. Investment partners must also encourage residents to register white goods with manufacturers for every product where it is possible to do so.
5	For all homes, investment partners must ensure that information about product registration, product recalls and electrical safety is made available to residents.

⁵ This will only allow materials that are Class A2-s1 rated and above under the European classification system, as set out in the standard BS EN 13501-1 and as reflected in UK Building Regulations.

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