



Homes
England

Community Housing Fund – State Aid Clarification

1. Further to publication of the Community Housing Fund Prospectus on 2nd July 2018 Homes England provides the following clarification in relation to State Aid.
2. For full details of the Community Housing Fund funding requirements please refer to the Prospectus and the Addendum to the Prospectus on [GOV.uk](https://www.gov.uk).

Applications for pre-development revenue funding

3. Organisations can apply to the Community Housing Fund for revenue funding to help support the costs of seeking to establish the viability of community-led housing scheme proposals. This may include (but is not limited to) site investigation costs; project-specific professional fees (such as architects and design fees); the costs of submitting a planning application; the costs of engaging with the local community and any administrative and operational costs arising from any such activities.
4. Where Homes England provides funding/support for an organisation's revenue/operational costs in relation to taking steps to test the viability of community affordable housing, design and planning application costs of such housing in a local area this may be granted under the Services of General Economic Interest (SGEI) decision (2012 /21/EU).
5. The SGEI decision enables 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 (as described in the Prospectus).
6. If other pre-development revenue costs such capacity building of the community-led organisation or the costs of bringing forward open market homes which do not directly contribute towards the viability, design and development of community-led affordable housing are to be funded they would need to be treated as De Minimis aid (as per the terms set out in the Prospectus) and must not cumulatively exceed €200,000 (sterling cash equivalent) over a rolling three year period when added to any other De Minimis aid received or applied for from any European (not only UK) grant-giving bodies.



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7. Homes England will provide a grant notification letter to all successful applicants which sets out a description of the public service obligation/objective that will be achieved and details of the costs awarded under each State Aid decision.
8. Organisations are required to retain this notification for three years and to include any grant received through the Community Housing Fund in any future State Aid declarations to other grant giving bodies to whom they make a grant application.

Entrustment of revenue funding to local authorities

9. Local authorities may apply for Community Housing Fund revenue funding on behalf of community groups in their local area. Where grant funding is to be provided by Homes England to a local authority and the local authority then subsequently passes on grant funding to community housing organisations, where the SGEI decision is to be relied on, it is a requirement that the local authority gives an entrustment for the community housing organisation that will be the ultimate recipient of the Community Housing Fund to deliver an appropriate public service obligation in relation to affordable housing to ensure compliance with State Aid requirements.

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