

Appendix 1

SLDC RIGHT TO BUY REPLACEMENT SCHEME AFFORDABLE HOUSING GRANTS POLICY

1.0 Background

Examples of potential uses are shown at Appendix A.

The Council's [Right to Buy Replacement](#) funds for Affordable Housing provide an opportunity to add to other sources of funding available to local communities. However, they are not intended to supplement other Council Affordable Housing funds such as Affordable Housing Renovation Grants.

2.0 Eligible Applicants

Organisations that are eligible to apply for funding for SLDC Affordable Housing Grants are:

1. Housing Associations – the Council's current development partners are:

[Home Group](#)

[Riverside](#)

[Castles and Coasts](#)

[South Lakes Housing](#)

[Progress Group](#)

[Fairoak Housing Association](#)

It may be that other Registered Providers come forward to develop affordable housing in South Lakeland and in order to be considered a preferred development partner the request will be determined by the Housing Portfolio Holder and Director of Customer and Commercial Services.

2. Community Land Trusts

3.0 Criteria for use of Right to Buy Replacement Scheme Funds

3.1 There is specific criteria that applies for the use of Right to Buy receipts that Registered Providers will need to be aware of and will be reflected in grant agreements for awarded grants. Key criteria includes:

- a. The grant fund that may be provided for homes developed under this scheme can represent no more than 40% of the cost of that home;
- b. The grant funding can be spent on social or affordable rent and shared ownership;
- c. The remaining costs cannot be funded through other forms of grant and certain other funding sources, for example Homes England funding;
- d. The funding should be for new build homes, though purchase of existing homes (not already affordable) for conversion can be considered;

- e. [Grant funds will need to be paid on completion;](#)
- f. [If the grant funds are not used in compliance with this policy and the grant agreement which will be in place, SLDC will have provision within the agreement to clawback up to the amount of the grant paid..](#)

Assessment of applications

3.2 Applications will be assessed against two measures

Firstly, the project addresses community needs by addressing:

- Evidenced local housing needs
- The Council's corporate priority of providing homes which meet need
- Other Council corporate priorities additional to providing homes which meet need
- [High energy efficient standards.](#)

3.3 Secondly, the project needs to provide good value for money and deliverability by demonstrating that:

- Costs and timescales have been researched and are realistic, e.g. through quotes or use of reliable data.
- Funding is available to meet the total costs of the project (aside from the SLDC monies required).
- No other sources of funding are available to meet the amount that is being sought from the Council.
- There are sufficient resources for the future maintenance and support for the delivered project.
- The level of funding sought from the Council is justified.
- The grant per affordable home presents good value for money.
- The project or scheme has or is likely to obtain planning permission (if required).

4.0 Selection of Registered Providers –

4.1 Council Owned Land

[In cases where Council owned land is concerned the following process will be followed to select a Registered Provider:](#)

[The opportunity will be advertised for the Council's Preferred Development Partner Registered Providers to place a bid on the Council's procurement portal, The Chest.](#)

[Registered Providers should complete the application form \(Appendix A\).](#)

[The criteria set out in 3.1 and 3.2 above will be used to score the applications.](#)

[The score will be based on quality and price with 60% quality and 40% price.](#)

4.2 Registered Provider owned land/option on site

Registered Providers should make their application using the application form (Appendix A).

The application will be scored using the criteria set out in 3.1 to 3.3 above.

The score will be based on quality and price with 60% quality and 40% price.

4.3 Developer owned land – enabling additional affordable housing on allocated sites, i.e. extra to planning policy or where there are proven viability issues (see Appendix A, 1 & 2)

The Council is not a party in the negotiations for acquisitions between developers and Registered Providers. It is recognised that a deal for the affordable housing is normally agreed between the developer and one Registered Provider. This means that there is a constraint on potential competition between Registered Providers for any additional units over and above that required by planning policy. To introduce an element of competition for such additional units would create potential management issues of the affordable units in the future with potential purchasers of affordable housing for sale or tenants for affordable housing to rent. It is understood that Registered Providers would not normally seek to manage less than a certain number of units for rent or shared ownership on a given site.

An application should be sent in using the application form (Appendix A). This will be scored using the criteria set out in 3.1 to 3.3 above. The score will be based on quality and price with 60% quality and 40% price.

5.0 Energy Efficiency and Climate Change

5.1 The Council is keen to encourage energy efficiency in new affordable housing, reducing the carbon footprint and fuel poverty of residents. Schemes that evidence improved energy efficiency measures are encouraged.

APPENDIX A

SLDC [Right to Buy Replacement Scheme](#) Affordable Housing Grants – potential uses to enable new affordable housing (list not exhaustive)

1. Enable additional affordable housing from housing developments, i.e. extra to the planning policy requirement

In the South Lakeland planning area the affordable housing requirement is 35%, hence the grant could be used as an incentive to provide further affordable housing in addition to the 35% requirement. The funding could be provided to a Registered Provider (housing association) in order for them to purchase the additional units for affordable housing.

2. To meet the funding gap to enable the affordable housing required by planning policy from housing developments where it has been proved that this is not viable

There will be occasions when the local planning authority's affordable housing requirement cannot be delivered because a housing scheme is not financially viable. In such cases rather than reducing the affordable housing requirement the grant could be used to maintain the requirement.

3. To provide additional grant funding for new Registered Provider affordable housing schemes where necessary

The grant could be used to part-fund ~~both HCA-funded schemes and non-HCA~~[Homes England \(HE\)](#)-funded schemes. ~~In terms of the former the level of grant available from the HCA may not be sufficient to deliver a particular affordable housing scheme hence the~~[A](#) grant could be used as gap funding ~~ing for non-HE funded schemes to enable this. In terms of the latter it may be possible to deliver new affordable housing schemes without HCA funding if the grant is used to provide contributory funding. Given the restricted availability of HCA funding this would be welcomed by Registered Providers.~~

4. To contribute towards site assembly costs for potential affordable housing sites

Grant funding can help towards acquisition of sites for affordable housing and for abnormal costs such as remediating contaminated sites that could be developed for affordable housing.

5. To contribute towards the costs of acquiring a site for development of affordable homes

A grant can be provided for this purpose when evidence is provided that the funds are necessary to make the affordable housing scheme financially viable.

6. To upgrade new affordable housing to higher energy efficient standards

A grant can be provided to improve the energy efficiency of new affordable homes, thereby reducing the carbon footprint and ~~alleviating eleviating~~ fuel poverty.

APPLICATION FOR SLDC RIGHT TO BUY REPLACEMENT AFFORDABLE HOUSING GRANT

1. Details of Applicant and Project

1. Organisation's Name and Address
2. Contact Details (name, email and telephone number)
3. Project name
4. Project Description Describe what will be provided and why funding is being sought. Also state how prospective tenants will be selected. Please include a site location plan for specific housing scheme bids.
5. Specific Details Required
Total Number of Homes:
Of which how many are Affordable Homes:
Proposed House Types and Tenure Mix:

Proposed Rent/Sale Prices:

2. How does the project address priorities and meet identified needs?

Applicants should provide information for the following criteria that relate to their project and need not provide information for each one. Further information can be provided using the section at the end of the form.

1. How does the project contribute to the themes of:
a. Housing – homes to meet local needs (essential)
b. Economy - helping promote local businesses and support local enterprise
c. Environment - reducing the impact of climate change
d. Health and Well-being - promote community involvement
2. What evidence of local housing need exists to support the project? If the projected is targeted at a particular group, e.g. older people, please provide specific evidence (the Council's Housing Strategy Team may be able to help provide evidence of housing needs).

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3. What is the need for grant funding from the Council to enable the project to succeed?

Applicants should demonstrate that their projects are prepared and managed well and will be encouraged to explore other funding sources where appropriate by completing an assessment in the following table.

1. Projected costs for the project? Please provide a summarised breakdown of these costs, e.g. land acquisition, build costs, etc. If you have a full breakdown of costs please append a copy of this to the application.
2. Proposed means of funding the project? Please provide a breakdown which includes any amounts being contributed by the applicant.
3. Estimated timetable? Indicate all the key stages (month and year)
Planning application submitted/ planning obtained Site acquired..... Start on site..... Practical completion.....
4. Amount of SLDC money being sought?
5. Have you obtained other funding for the project? Also includes details of any other bids awaiting a decision sources of funding to ascertain whether the funding requested from the Council is up to 40% of costs per home permitted under this scheme.

6. Provide details on how the project will be delivered and by whom. If the project is reliant upon a partnership with another organisation please provide details.
7. Potential obstacles to implementing the project. Include details of whether planning permission has been obtained and if not state whether advice has been sought as to whether this is likely to be granted (this should be appended to the application). Also state any other significant barriers that need to be overcome.
8. Is the project sustainable? How will you maintain and fund the project in the future? Include details of proposed energy efficiency and HCA -build standards

Please Note: if the application is approved, we will wish to see supplementary evidence before any funding is provided.

**Return to: Julie Jackson, Principal Specialist (People), South Lakeland
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