

CABINET

Council Housebuilding Support Fund 16th September 2025

Report of: Chief Officer – Housing and Property

PURPOSE OF REPORT			
The report seeks approval to accept government grant revenue funding to support progression towards increasing council house building within the District.			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date of notice of forthcoming key decision	15 th August 2025		
Appendix A is exempt in accordance with Section 100A(4) of the Local Government Act 1972 on the grounds that it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act			

RECOMMENDATIONS OF Councillor Caroline Jackson

- (1) That should Lancaster City Council be successful in its Expression of Interest - Cabinet accept the Council Housebuilding Support Fund as set out in the report and authorises the s.151 Officer to sign off a funding agreement and Statement of Grant Usage.

1.0 Introduction

- 1.1 In July 2025, Lancaster City Council was invited alongside other local authorities to submit an expression of interest (EOI) for potential funds (up to £300,000) from the Council Housebuilding Support Fund (CHSF)¹. Approval to submit the EOI was gained from the Deputy s.151 Officer in August 2025. If successful local authorities are requested to have used the funding no later than 31st March 2026.
- 1.2 Council Officers have identified a number of schemes that would benefit from funding to support the delivery of new affordable housing in line with the CHSF guidelines. A full business case may be required dependent on funding allocation in order to progress on a scheme-by-scheme basis.

¹ [Apply to the Council Housebuilding Support Fund - GOV.UK](#)

2.0 Scheme Details

- 2.1 The objectives of CHSF are to:
- Increase the number of homes they directly deliver
 - Establish and expand delivery partnerships and joint ventures with registered providers or developers
 - Develop and expand their wider pipeline of development opportunities.
- 2.2 It is expected that the funding will support councils looking to build capacity and capability to submit new, ambitious bids for grant funding from the Social and Affordable Homes Programme from 2026 onwards. A particular aim is to enable councils to submit bids more quickly and at bigger scale.
- 2.3 Applications for funding could include:
- Knowledge development – such as training and upskilling staff;
 - Pipeline development – such as commissioning studies to identify a long list of deliverable sites or developing delivery strategies to unlock already identified sites;
 - Pre-development and enabling work – such as technical expertise and support to bring forward sites and secure planning permission;
 - Partnership working – such as supporting engagement, co-ordination and joint working opportunities with registered providers and developers;
 - Additional staffing – such as interim staff project managers and consultants that bring relevant expertise.
- 2.4 It is expected that successful local authorities will be notified in September 2025, with money needing to have been spent by 31st March 2026.

3.0 Local Need and Proposal

- 3.1 The Council currently has over 1,500 applicants registered for re-housing through Ideal Choice Homes, whilst in 2024/25 the Council only re-let 250 homes.
- 3.2 Over the past few years the Council has sought to bring forward a number of key housing developments in line with the Council's Homes Strategy 2020-2025. This has mostly recently seen the new scheme development at Alder Grove with four new EPC A rated homes being constructed for older persons, with funding secured from Homes England.
- 3.3 The current Homes Strategy alongside the Local Plan identifies a continued need for housing and sites. The Council has sought to support with this and over the past few years the Council Housing service has undertaken an options appraisal on council-owned garage sites about what would be suitable to be bought forward for new housing. Through such a small number of sites have been prioritised for further exploration.
- 3.4 Alongside this – the Council has continued with work to bring forward new housing on the former Skerton School site to support the wider regeneration plans on the Mainway estate.
- 3.5 Additional funding is required with these sites to continue momentum in line with current aspirations and plans, and to achieve new housing on these sites in the future.

3.5 In line with the application guidelines the Council has requested funding for:

- Hastings Road (4 properties) – to secure RIBA stage 5, this will support with an opportunity to bid into the next Homes England funding programme and achieve a start on site (pending full business plan approval).
- Dorrington Road (7 properties) – to secure planning permission for new 7 new homes, with application submitted by end of March 2026.
- Skerton High School (135 properties) – to achieve procurement strategy position through specialist Legal / Procurement advice and dedicated Project Management support.
- Knowledge and skills training for key officers in the use of development software and Homes England systems (in preparation for future funding applications).

Further details of the funding request and timescale deliverables can be found at Appendix A. The funding requested would support the schemes by bringing in additional resources and specialist / technical support where needed.

3.6 Any new homes built would also align with forthcoming Right-to-Buy legislation changes exempting them from purchase applications for the next 35 years and then only eligible to tenants who have been tenants for at least 10 years.

4.0 Next Steps

4.1 Lancaster City Council is currently awaiting the outcome of the EOI (expected September 2025). Should the Council be successful, Cabinet are requested to endorse this proposal and provide agreement to accept the funding authorising the s.151 Officer to sign off a funding agreement and Statement of Grant Usage when requested.

5.0 Options and Options Analysis (including risk assessment)

5.1 A summary of the options and analysis is presented below:

	Option 1: Do not accept the grant funding	Option 2: Accept the grant funding
Advantages	No advantages identified.	The Council will continue to be able to progress housing ambitions.
Disadvantages	Delivery of new housing ambitions will stall.	None known.
Risks/ Mitigation	Delivery of new housing ambitions will stall. Continued additional pressure on Council Officers supporting key housing projects without additional	As outlined in Appendix A.

	support. Missed opportunity for funded training on Homes England application system / development software could lead to incorrect Affordable Homes England applications submitted at some point in the future.	
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6.0 Officer Preferred Option (and comments)

- 6.1 Option 2: For the Council to accept the grant funding so as to seek to continue to drive forward opportunities to deliver much needed new housing within the District.

7.0 Conclusion

- 7.1 Lancaster has key ambitions to deliver new housing for residents in need. Current financial constraints within the HRA are making these ambitions challenging to bring forward currently, therefore additional revenue grant funding to support momentum should not be overlooked.

RELATIONSHIP TO POLICY FRAMEWORK

Council Priorities

:

A Sustainable District –Climate Emergency: Properties brought forward will be developed to a high standard, therefore benefitting residents with quality and warm homes.

An Inclusive and Prosperous Local Economy – opportunities for local contractors to be employed as part of development opportunities.

Housing Strategy – will link directly to the Homes Strategy for Lancaster District 2020-2025 by seeking to increase provision of affordable housing.

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)

No known impact.

LEGAL IMPLICATIONS

Should the Council be awarded the funding, Legal services should be consulted on the terms of the funding agreement. Officers should consult with Legal services and the Council's procurement team at the early stages of a project for assessment of legal/procurement issues and advice.

FINANCIAL IMPLICATIONS

If the bid is successful, the Council Housebuilding Support Fund will benefit the Housing Revenue Account, funding the further development of new build schemes. The cost of the required external professional expertise is not provided for within existing revenue budgets, therefore no progress can be made without this financial support. Acceptance provides the opportunity to build capacity and capability, to allow the submission of bids for capital grant funding from the 2026-2036 Social and Affordable Homes Programme.

OTHER RESOURCE IMPLICATIONS

Human resources Part of the funding application supports additional capacity being bought in to support with work, some additional implications likely with finance, legal, procurement advice, although some additional consultancy funding has been built into the application.

Information Services: No Information Service implications.

Property: As outlined in the report.

Open Spaces: No Open Space implications.

SECTION 151 OFFICER'S COMMENTS

Under section 4.3.4.2 of the Constitution, Cabinet is responsible for approving any external funding bid that is above the key decision threshold and within the budget and policy framework. Given the timescales involved from bid acceptance to the defrayal of the external funding, this report seeks the pre-acceptance of the funding by Cabinet and delegates the signing off a funding agreement and Statement of Grant Usage to the Section 151 Officer. This will be subject to the usual due diligence being undertaken and governance arrangements being in place.

It should be highlighted that should the funding be insufficient then any expenditure over and above the value of any grant awarded would be considered outside of the budget and policy framework. In this instance compensating savings would need to be found from within the Housing Revenue Account to enable full delivery.

MONITORING OFFICER'S COMMENTS

The Constitutional requirements are highlighted in the S151 Officer's comments and the Monitoring Officer has nothing more to add.

BACKGROUND PAPERS

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Ref: [Click here and type Ref, if applicable]