

local housing, community living: prospects for scaling up and scaling out community-led housing

By Andrew Heywood





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Preface

Few proponents of community-led housing would expect the sector to emerge overnight as a major supplier of homes across England. However, we believe that community-led housing provides an attractive and affordable alternative to conventional housing, and should be given every opportunity to flourish.

Yet despite some growth and several awarding-winning projects, the sector has yet to move from the margins to the mainstream. Indeed, its achievements are often sadly under-recognised, and much of the sector's potential remains unrealised.

We funded this research to explore the variety of housing models within the community-led sector and to identify the key barriers to their expansion and wider uptake. The Smith Institute's study shows how the sentiment is generally positive about doing more and spreading best practice.

To turn good intentions into reality, it is essential to understand fully the challenges ahead and to discuss what is possible and why. This important study has taken on those tasks. Significantly, it has done so by listening to what the sector has to say and

what its main partners think. Although some of the messages may seem challenging, they are based on evidence and on the views of people who care about or are involved with the sector. The future is, nevertheless, positive and we hope that this study will help the community-led housing movement to evolve in the way that it wishes.

Although in many ways these are difficult times for the sector (not least in respect of funding), the interest in localism and empowering communities creates new opportunities and allows for innovation and stronger alliances with local partners, including local councils and housing associations.

There is no doubt that we need more decent and genuinely affordable housing in the UK. No single solution will solve the housing crisis, but we hope that this research by the Smith Institute will help to highlight the potential that community-led housing has to offer in delivering much-needed homes.

*Gary Hartin, Programme Manager for
Alternative Housing Models at the Nationwide Foundation*

Foreword

The profile of community-led housing has risen over the past decade, helped in part by the growing interest in localism, community activism and alternative housing ideas. Nevertheless, the sector still does not receive the recognition it deserves from central government, local authorities and other stakeholders – and, perhaps most importantly, the public. This lack of recognition limits the potential of the sector as well as its ability to communicate its experience to the mainstream.

Community-led housing has grown and will continue to grow but its importance essentially lies not in its capacity to imitate the mainstream or to expand exponentially but in its distinct core values:

- understanding of community and locality;
- belief in participation and control of development by local communities;
- commitment to innovation; and
- adherence to the belief that provision of new housing supply is one contribution to a broader conception of social benefit and sustainability.

These values are too often absent or distorted in so-called mainstream development.

This research would not have been possible without the co-operation of the sector itself. The contribution of all those concerned was thoughtful and unstinting. It is always invidious to single out individuals for special thanks, but in this case it would be remiss not to mention the invaluable assistance of Catherine Harrington of the National Community Land Trust Network, Nick Bliss of the Confederation of Co-operative Housing, Jo Gooding

of the UK Cohousing Network, Jon Fitzmaurice of self-help- housing.org and Jennifer Line of the Building Et Social Housing Foundation. Over a period of several months, they have tirelessly and patiently responded to countless queries and requests for information.

Thanks also go to all the academics, policy makers, housing professionals, local government officials and other stakeholders who freely gave their time at meetings, over the telephone and in correspondence. Again, their help has been invaluable.

Most importantly of all, I would like to thank the representatives of the community-led sector itself for their input into this research. Through face-to-face meetings, interviews and emails their analysis of the opportunities for and barriers to enhanced community-led housing activity has been crucial, contextualised as it has been by their own experiences of surviving and thriving in what is often a precarious operating environment. They have been a privilege to work with.

Thanks are due to the staff at the Smith Institute, especially Alison Sutherland, who made the interviews possible, and my wife Anne Heywood, whose intellectual and organisational input made it possible to cover so much ground in so little time.

Finally, thanks to the Nationwide Foundation, who have shown considerable foresight in funding this project.

None of the above bears responsibility for any shortcomings in this report. These, as always, are the responsibility of the author alone.

Andrew Heywood, Research Fellow at the Smith Institute

Executive summary

This report brings together research funded by the Nationwide Foundation. The research took place from April to September 2015 and examines the opportunities and barriers to scaling up housing development by the community-led housing sector.

Community-led housing has been defined by housing association body HACT in terms of:

- *community housing* – that is, housing designed to meet the needs of particular groups of people or to meet the needs of a particular locality; and
- *community-led housing* – that is, housing shaped and controlled by a group that represents the residents and/or the wider community that will be served by the housing.

The research concentrates on the activities and challenges facing community land trusts (CLTs), co-operatives, cohousing groups and self-help organisations (which are focused on bringing existing empty homes back into use rather than on new development). Their activities incorporate a range of community-led housing models, which are adaptable and reflect local preference.

The research involved:

- conducting a review of existing evidence about the sector;
- leading a series of round tables involving sector representatives, stakeholders and community-led groups themselves;
- participation in workshops and forums organised by the Building & Social Housing Foundation;
- undertaking 45 interviews with representatives of community-led groups, local authorities, housing associations, government and other stakeholders;
- conducting an internet-based survey of self-help organisations; and
- working with the various organisations representing the sector to collect and collate new data on the scale and nature of its activities.

Community-led housing activity has expanded rapidly over the past decade, assisted to a degree by a series of government-sponsored initiatives, which in part stemmed from the localist agenda of previous governments. The sector is currently developing up to 400 homes a year, with indications that output is to rise over the next three to five years.

Between 2012 and 2015, the self-help sector brought more than 1,200 homes back into use, using Empty Homes Community Grants Programme (EHCGP) funds as a basis on which to lever in significant additional investment. Nevertheless, it should be remembered that renovation of existing homes and development of new homes are not mutually exclusive activities for community-led groups and that the development of broader community benefits (such as enhanced employment and training opportunities and the protection of community facilities such as shops and pubs) are as important as housing development and renovation.

The community-led housing sector is now confronting a significantly less favourable fiscal and policy environment than has been in evidence until recently. The new Conservative government is committed to a degree of fiscal austerity that would have made the provision of public funding for the sector more problematic even without a shift in the emphasis of housing policy. However, the government has, in the summer budget, the Housing and Planning Bill, the autumn spending review 2015 and a series of other announcements, mapped out a direction of travel for housing policy that involves:

- an overriding commitment to the promotion of home ownership using private developers and relying in large measure on the Starter Homes Initiative;
- a shift in provision of social housing grant from support for sub-market rent to shared ownership; and
- cuts in housing-related welfare benefits, which will indirectly impact negatively on the income streams of the affordable housing sector in general and on community-led groups.

While some specific measures such as the extension of the "right to buy" and the 1 percent annual reduction in social rents will have only limited direct impact on community-led groups, the sector is likely to find that social housing grant will become less available and that other funding streams (such as the community buildings grants) may come under pressure after 2018. It appears that EHCGP funding is not going to be renewed, and this will severely limit the potential to expand activity among self-help groups.

The nature of the sector itself places limits on the rate of expansion. Community-led activists make an important distinction between "scaling up" activity – growing existing organisations and expanding outputs, as has happened for instance in the mainstream housing-association sector – and "scaling out", which involves horizontal expansion through the creation of new groups while maintaining the small scale of individual groups to preserve their responsiveness and accountability to individual localities. The sector is, in the main, committed to the latter path, which inevitably favours quality of output rather than volume and which places limits on the speed and degree of expansion in order not to increase excessively the burden on volunteers. There is also evidence that the high level of commitment required can lead to burn-out among activists.

The research shows that growth in the sector is, ultimately, driven by the identified needs of individual communities rather than by externally imposed strategically conceived targets for the numbers of homes developed or renovated. Growth is, therefore, inherently likely to be organic and modest rather than exponential.

The sector faces a number of specific challenges that will need to be addressed if the potential is to be realised:

- The public lack understanding and awareness of what the

community-led sector is and how they can influence their communities by becoming involved.

- There is also a lack of understanding of the benefits of community-led development among key stakeholders, such as local authorities and some housing associations.
- Focused support – particularly for nascent groups – is needed, as well as access to professional help and advice. Local authorities and housing associations play a part here, but they are under-resourced and face other pressures; in addition, they do not always understand what is required.
- Funding is not the biggest issue for the sector, but there is a chronic shortage of seed-corn funding (funding to help groups get established and plan their first steps) for some new groups and projects. There are also questions to be explored about the terms of lending for development and retail mortgage funding, and about the capacity of existing lenders to support rapid expansion, should it occur.
- The planning system need not be an impediment to the activities of community-led groups, but it can be when they lack adequate support and guidance. There are a number of specific planning-related measures (such as section 106 agreements, provision of serviced land by local authorities, and the neighbourhood planning process) where improvements can be made.

In spite of the above, there are multiple examples of best practice within the sector, some of which are referred to in the report. On a larger scale, Wales offers an encouraging example of what a real partnership between government and the community-led sector can achieve when that partnership is backed by adequate resources and is properly co-ordinated. The UK government should learn from this example.

Key achievements over the past decade

- A succession of new housing co-operative ventures for new-build stock and for innovative tenancy management arrangements across a variety of local scales
- Award-winning cohousing neighbourhoods, including mixed-tenure provision and the first on-site developments for "senior" households
- Substantial reclamation of derelict and neglected housing for the creation of new affordable stock, with the creation of various training and employment organisations
- The creation of the National Community Land Trust Network, with a host of local schemes already providing new stock to rural communities
- A substantial degree of self-build development across individual and group schemes, with increasing development of custom-build and associated services

Source: Martin Field, Building & Social Housing Foundation Community-led Housing Alliance Programme (participant)

Overall, the community-led sector can point to real achievements, not simply in expanding the numbers of homes built or renovated but in engaging with local people to produce outputs that

are marked by quality, innovation and sustainability. These are characteristics too often missing from the mainstream. The sector will continue to grow, but that growth will be steady and reflective of local needs rather than the aspirations of planners and policy makers.

Based on the evidence gathered, the report makes the following recommendations:

Recommendation 1: Community-led housing groups should set up a country-wide network offering local support (which is not attached to any specific model of delivery) to emerging groups. Such a network could help improve and develop services, such as guidance, peer-to-peer support and mentoring. It could also develop a sector-wide communications and PR strategy aimed at the public and key stakeholders.

Recommendation 2: The sector, in partnership with local authorities and other stakeholders, should press the case for dedicated, long-term HCA/GLA funding to support new community-led housing schemes. A new funding settlement should include support for new mechanisms, such as government guarantee schemes, low-interest loan funding and fit-for-purpose seed-corn grants and funding packages.

Recommendation 3: Consideration should be given to exceptions for community-led housing groups to the recently announced redeployment of social housing grant for shared ownership rather than sub-market rent.

Recommendation 4: The government should reinstate the grant funding used by community-led housing groups to bring empty homes back into use.

Recommendation 5: The sector should investigate alternative ways in which seed-corn funding might be accessed. Potential sources might include the philanthropy sector and charitable institutions.

Recommendation 6: The sector should work more closely with the retail mortgage industry to try to standardise restrictions on resale and make them compatible with lender requirements.

Recommendation 7: The sector should work with local authorities on how to make planning more accessible to community-led groups, bearing in mind their more limited access to support and resources.

Recommendation 8: The government should include explicit guidance on the role of community-led housing groups in securing affordable housing and community services (including to housing associations and local government) in a revised National Planning Policy Framework.

Recommendation 9: The sector should work with local authorities to identify the circumstances in which section

106 agreements may offer opportunities for community-led initiatives. The results of this work should be communicated to local planners and to community-led housing groups.

Recommendation 10: The government should review the neighbourhood planning process, with a view to simplifying the process and promoting community-led housing groups as affordable-housing providers.

Recommendation 11: Guidance to local authorities under the Self-Build and Custom Housebuilding Act 2015 should give more attention to community-led housing.

Recommendation 12: The UK government should learn from the successes of community-led housing activity funded by the Welsh Government and co-ordinated by the Wales Cooperative Centre.

Section 1: Setting the scene

(i) Terms of reference

This report brings together research funded by the Nationwide Foundation. The research, which took place over the period April to September 2015, examines the opportunities for and barriers to scaling up housing development by the community-led housing sector. The aim has been to identify what needs to be done to increase the capacity of the sector, by examining progress to date and current prospects. Specifically, the research focuses on the following:

- What has been achieved over the past five to 10 years, and which community-led models have made the most progress, and why?
- Which policies and interventions have made a difference and what have we learned from them?
- How is success best measured, and which performance metrics could be used to evaluate the sector?
- How can development be scaled up so that the full potential of the sector can be realised?

The report concentrates on the community-led housing sector in England, although reference is made to developments elsewhere in the UK and internationally. It is divided into three broad sections: the first reviewing the policy context and existing evidence; the second presenting the views and opinions of the main stakeholders, taken from one-to-one interviews, round-table discussions, conferences and a dedicated survey of self-help group members; and the third section offering some concluding comments and recommendations for action.

Inevitably, the survey of self-help groups and the community-led sector interviews concentrate on those groups that have succeeded in establishing themselves on a permanent basis, both in providing new or refurbished homes and in developing a pattern of community-level activity that goes much wider than housing provision. Promotion of employment, crime reduction and environmental sustainability are three examples from a range of community interventions undertaken by the sector.

While the lessons to be learned from the successful are central to this study, it is also important to gain an understanding of those that have not succeeded. From this perspective, the interviews with local authorities, housing associations, the Homes & Communities Agency (HCA), lenders and others provide a valuable perspective. Not only do they establish relationships with those who ultimately succeed and have valuable lessons to teach about "what works", they also have insight into what does not work and why, and have much to contribute about how things might change to facilitate growth and development of the sector.

Community-led housing has received only limited academic attention in the UK, although some excellent work has been undertaken (such as research by the Housing & Communities Research Group at Birmingham University; the LSE and the University of Northampton). Data on the sector is also comparatively limited when compared with the datasets available on assets and activity in the wider affordable housing sector.¹

This study has worked with the bodies representing the sector to collect and pass on information about the scale and type of housing activity achieved and planned. Much of this information has not been published previously.²

(ii) Defining community-led housing

Community-led housing is a generic term covering various models and options. It is commonly read as:

Community, that is housing designed to meet the needs of particular groups of people or to meet the needs of a particular locality, and community-led, that is housing shaped and controlled by a group that represents the residents and/or the wider community that will be served by the housing.

This definition by HACT (the Housing Associations' Charitable Trust) is helpful in that it emphasises the local nature of community-led initiatives, the element of community control, and the requirement that the housing should meet the needs of those for whom it is designed. Thus, by implication, it suggests that housing should be affordable to the community that sponsors it.

There are also legal definitions, such as the statutory definition proposed by Anthony Collins Solicitors LLP (see panel below), which stresses community control and ownership of assets.

A legal definition of community-led housing³

1. A Community Led Housing Provider is a body corporate ("a body") which makes available, or intends to make available, dwellings in England. The conditions which apply are:

- a. "dwellings" means flats and houses for occupation by individuals as their only home;
- b. "local community" means the individuals who live and/or work, or want to live and/or work in a specified area and/or are part of a specified community; "own" and "owned" means ownership of a freehold interest and/or a leasehold interest; "specified area" means the locality or region referred to in a body's constitution;
- c. "specified community" means the individuals to whom the body seeks to provide a benefit as set out in its constitution.

2. The conditions that must be satisfied are that:

- a. the body includes within its constitution the purpose of providing accommodation to the local community and/or for the members of the body;
- b. the local community have the opportunity to become members of the body (whether or not others can also become members);
- c. the local community must provide the majority vote on resolutions at general meetings and decisions at management board meetings;

- d. any profits or surplus from its activities will be used to benefit the local community or other activities of the body as set out in its constitution (otherwise than being paid directly to members);
- e. the accommodation let to individuals is owned by the body;
- f. the number of properties owned by the body does not exceed 1000.

3. Other conditions that must be satisfied are that:

- a. the body's objects include furthering the social, economic and/or environmental interests of a local community; or
- b. the body is owned in the majority by its members who are also the tenants of the body.

Source: Anthony Collins Solicitors LLP

Note: The above definition was developed in part to protect small groups from the threat of extending the "right to buy" and therefore the reference to scale was included as a matter of pragmatism, rather than as a limit on the size of community-led housing groups.

Within the broad definition of community-led housing, there are four main groups on which the report focuses:

- community land trusts;
- co-operative housing organisations, including co-operative housing associations;
- cohousing projects; and
- self-help housing.

There is also some community custom-build within the self-build sector, which is briefly discussed at the end of this section.

It would be misleading to suggest that there is a rigid classification of different types of community-led housing model. Most models reflect local preference, and there is often a fair amount of cross-pollination between models.

The sector is dominated by co-operatives in terms of the existing housing portfolio, but feedback from the sector as well as the

data above suggests that community land trusts are likely to achieve the lion's share of new development until 2015. Overall, the development pipeline to 2018 amounts to around 370 units a year, built or refurbished. It should also be noted that data is not complete in terms of future development and the actual rate could be higher, although anecdotal feedback suggests that the total will not significantly exceed 450 units per year.

Overall, the sector accounts for around 0.3 percent of new development in England and comprises less than 0.7 percent of the housing stock.

Community land trusts

Community land trusts, or CLTs, are unusual in this subsector in that they are actually defined by statute within the Housing and Regeneration Act 2008 (see panel). The requirement that a CLT is managed by non-beneficiaries is important and is also a distinguishing characteristic of this category when compared with other types of community groups.⁴

Community land trusts

- A CLT is established for the express purpose of furthering the social, economic and environmental interests of a local community by acquiring and managing land and other assets, in order to provide a benefit to the local community, and to ensure that the assets are not sold or developed except in a manner that the trust's members think benefits the local community.
- It is established under arrangements which are expressly designed to ensure that: Any profits from its activities will be used to benefit the local community (otherwise than by being paid directly to members); individuals who live or work in the specified area have the opportunity to become members of the trust (whether or not others can also become members); the members of a trust control it.⁵

The definition offered by the National CLT Network is helpful as it makes the requirement for affordability of the homes developed explicit:

Community land trusts are powerful examples of communities taking control and transforming the future of their local

Table 1: Community-led housing activity in 2015

	Number of housing organisations active	Number of homes provided (total extant)	Number of new homes in development pipeline to 2018	Homes to be renovated/ brought back into use
Community land trusts	170	532	718	c. 30
Co-operatives	836	169,000	~*	-
Cohousing	20	266	291	41
Self-help	170	2,750	0**	n/a

* Some co-operatives are in the process of planning or developing new homes. However, numbers are small and data is not available.

** But some self-help groups interviewed for this report have referred to plans to develop new homes as opportunities arrive.

Source: National CLT Network, Confederation of Co-operative Housing, UK Cohousing Network, self-help-housing.org

community. They are non-profit, community-based organisations run by volunteers that develop housing, workspaces, community facilities or other assets that meet the needs of the community, are owned and controlled by the community and are made available at permanently affordable levels.⁶

– National CLT Network

Housing can be provided for sale, for partial sale (shared ownership) or for rent. In the case of rented homes, management and maintenance are frequently contracted to a local housing association. In practice the requirement to maintain affordability for the local community will result in restrictions on rents to be charged: often to 80 percent of a market rent.

On properties that are offered for home ownership the CLT will retain a stake in the property, or use some other legal means to ensure that affordability is maintained across subsequent transactions. These may include restrictions under covenant that only local people may purchase properties, perhaps to those with limited incomes, and/or may involve limits on the price that can be paid in subsequent sales, often expressed in the form of a price that must be a certain percentage of market value, such as 80 percent. It has been suggested that this may make these properties less mortgageable. It has also been suggested that restrictions on resale can limit demand from home owners keen to benefit from rising property wealth.⁷

In urban areas it is currently possible for those who have purchased a leasehold property from a CLT to buy the freehold under the Leasehold Reform Act 1967. As discussed later, this has been highlighted as a major problem for the expansion of CLTs into urban areas.⁸

CLTs often take a wider community role than simply providing housing. They may, for example, provide community facilities where these are absent or threatened. Indeed, the first UK CLT, the Stonesfield Community Trust, offers housing and workspace facilities.

Stonesfield Community Trust

The Stonesfield Community Trust was registered as a charity in 1983 by three friends in West Oxfordshire, in a former mining village. It was established in response to the sharp rise in house prices in the area. It offers 13 homes. With funding from the local authority and ethical investors the trust has expanded, developing new affordable homes and workspace units. It has recently taken over the village post office and is now looking at improving youth services in the village. Stonesfield makes a surplus on its properties, which it reinvests into community projects.

CLTs in the UK are relatively new. Indeed, around half were founded within the last two years. They currently manage, or have rights to maintain, affordability criteria for some 545 homes. These can be broken down into the following categories:

- traditional social rent (32)
- affordable rent (231)
- shared ownership (128);
- resale price covenant/discounted sale (61)
- shared equity⁹ (16)
- market rent or sale (77).

The vast majority of CLT homes were commissioned and developed by the CLTs concerned, although not all are new developments and some are occasionally purchased and/or modified or renovated. Nevertheless, CLTs have a significant development pipeline. According to the National CLT Network's estimates, at least 718 CLT homes are due to be completed by 2018, and a total of 1,341 by 2020. The network claims that overall as many as 2,500 homes are in the process of development, although many have not reached a point where a definite completion date can be specified.

According to data provided by the National CLT Network for this study, of the 42 development schemes completed (covering around 500 homes), 21 accessed HCA grant as part of their funding.¹⁰

The community land trust network

The network of CLTs is distinct from other community-led subsectors in that it operates on two tiers. The CLTs managing homes at local level have access to an "umbrella" network of seven CLT support organisations, whose coverage extends to just under half the country.

This umbrella network comprises:

- CLT-East (East Anglia)
- Cornwall CLT
- Cumbria CLT Project
- Lincolnshire CLT (Lincolnshire, Derbyshire, Rutland)
- Sussex CLT Project
- Wessex CLT
- Wiltshire CLT

These umbrella CLTs support the work of individual CLTs, offering legal, advertising and business advice. The Cornwall CLT, for example, has helped develop over 150 homes.

The umbrella network of CLTs offers advice and expertise to local groups. Their support extends to assistance with planning applications and negotiations, advice on funding, and assistance in developing a suitable structure. Support CLTs also offer assistance with business planning and in finding a suitable business model, which frequently involves partnering with a housing association. Where a housing association is involved, it will typically lease the homes from the CLT so that these can be used as security for loan finance, which the housing association can raise on behalf of the CLT.

Future funding for the umbrella CLT network has been described as "precarious".¹¹ This raises obvious concerns for the future of emerging CLTs, which are explored later in the report.

Community land trusts in the US

Although CLTs in the UK are a recent phenomenon, they are much more established in the US. The first rural CLT was established there in 1969 and the first urban CLT in 1981. There are now believed to be 260 CLTs across 46 states. Between them they oversee around 10,000 units of permanently affordable housing. This housing includes resale-restricted home-ownership units, limited-equity co-operatives and rental units subject to restrictions on rent levels.¹² These organisations can be substantial: 95 CLTs between them employed 1,390 staff, of which only 282 were part-time.¹³ The median membership of these organisations was 79 members. There is also interest in CLTs in other countries, such as Australia.¹⁴

Co-operatives

Co-operative housing is defined as housing that is “developed by, with and usually for, a democratic community membership organisation; and is controlled (and in some cases owned) by a local democratic community membership organisation”.¹⁵

Within the community-led sector, the co-operative subsector is the largest in terms of existing housing under management. It is estimated that there are around 836 cooperatives and other mutual housing bodies operating within the UK, managing around 169,000 homes (with 91 percent of co-operatives found in England, 5 percent in Scotland and 3 percent in Wales). This represents housing for around 0.6 percent of UK households.¹⁶

Types of housing co-operative

Co-operatives come in all shapes and sizes and can have diverse structures and constitutions. The following variants have been identified in the UK:

- Social rented co-operative and mutual housing, where the housing is owned and democratically governed by the membership but some services may be contracted out. Some organisations will employ staff, although usually in small numbers.
- Tenant management organisations (TMOs). Certain housing services are democratically managed by tenants through a management agreement with the social landlord (71 percent of TMOs are in London).
- Mutual and tenant-owned associations established via stock transfer.
- Housing associations exhibiting some features of mutuality, such as a high level of tenant involvement.
- Privately resourced co-operatives and mutual housing, which may include short-life co-operatives.¹⁷
- Mutual home ownership.¹⁸

The essential feature of co-operatives is their democratic management. The housing itself usually comprises individual housing units, although on occasions the accommodation may be occupied collectively. Co-operatives normally control rented housing, mostly traditional social rented housing (regulated by the social housing regulator), although co-operatives have explored the possibilities offered by affordable rent at 80 percent of market rents.¹⁹

Hedgehog Co-op

Hedgehog Co-op at Hog's Edge in Brighton was founded in 1996 by a group of local people who were in housing need but with little hope of being rehoused. Working with Brighton Council, they built eco-standard homes for rent at a discount to reflect the work they put in. The project was supported by the South London Family Housing Association.

Much of the new development by co-operatives has been undertaken using social housing grant, mainly predicated on the willingness of recipients to adopt a policy of affordable rents (which requires less grant per unit developed than does traditional social rent).²⁰ This predictably causes difficulties for co-operatives in that tenants, who all exercise commensurate ownership and/or control over the assets, can be charged widely differing rents.

Co-operating housing in Europe

Co-operatives operate on a much larger scale in Europe than in the UK. Of the 35,000 members of CECODHAS – Housing Europe, which includes public, co-operative and social housing, 30,000 are co-operatives.²¹ The overall average percentage of the housing stock held by co-operatives in Europe is around 5 percent, although in Denmark and Sweden it is much higher. Co-operatives exist in many countries in Europe but are particularly well represented in: Austria, Belgium, the Czech Republic, Denmark, Estonia, Germany, Hungary, Italy, Poland, Portugal, Spain and Sweden.

In the case of the former Soviet countries, co-operatives were often established to run former state housing, with the result that numbers are large. Co-operative housing also exists on a significant scale outside Europe; for example, it is prevalent in a number of South American countries.

Although the co-operative sector is much larger than other community-led housing groups, public awareness of co-operatives remains low. Research by the Wales Co-operative Centre in 2013, for instance, showed that over two-thirds of those surveyed had not previously heard of co-operative housing.

Cohousing

Cohousing communities are distinctive, but share some of the features of co-operative housing. According to the UK Cohousing Network:

*Cohousing communities are intentional communities. They are created and run by their residents. Each household has a self-contained, personal and private home but residents come together to manage their community, share activities, eat together. Cohousing is a way of combating the alienation and isolation many experience today, recreating the neighbourly support of the past. This can happen anywhere, in your street or starting a new community using empty homes or building new.*²²

The concept of an “intentional community” is important, since it implies the establishment of a viable community that requires appropriate housing as part of its physical infrastructure, rather than the provision of housing and other benefits to an existing

community. Some of the issues this can create are explored in section two of this report.

Because cohousing entails direct management by residents, developments tend to be small in scale. For example, the first cohousing project in the UK, at Thundercliffe Grange on the outskirts of Sheffield, comprised just 12 flats, housing around 24 people. Communal aspects (such as common rooms and shared space) also take on key importance in cohousing.

The latest data (provided for this study by the UK Cohousing Network in mid 2015) showed there are now 19 completed cohousing projects in England and one in Scotland. In addition, there are around 70 developing cohousing communities across the UK that are beyond the initial planning phase.

In terms of completed projects, the data (shown below) confirms that cohousing can be at least as much about modifying and renovating existing buildings as it is about developing new homes.

Table 2: Number of homes owned and/or managed by cohousing groups in 2015

	New-build	Renovated
Home ownership	85	110
Mutual home ownership ²³	20	14
Shared ownership	2	6
Affordable rent	16	5
Private rent	8	0
Total	131	135

Source: UK Cohousing Network survey 2015

The fact that community-led organisations do not fall neatly into simple categories such as "developer" or "renovator" of housing is important. Ultimately, if an organisation is serving the housing needs of its community, then it arguably must be flexible enough to respond to those specific needs. Thus, a community-led organisation will frequently have the flexibility to make use of local opportunities that exist, whether they are for new development or renovation/modification.

Lancaster Cohousing

The Lancaster Cohousing project consists of 42 PassivHaus homes, mostly leasehold. It includes a communal cooking and dining area and shared workshop/outdoor space, as well as a communal car pool. The total cost of the project was around £8 million. A portion of this was forward-funded by the members in the form of loans to the cohousing company, amounting to up to 30 percent of the total cost of their homes. Additional finance came from a loan via the Triodos Bank. As each home is completed the members pay the rest of the purchase cost (either from savings or through mortgages offered by the Ecology Building Society). The group also raised funds by selling some homes.

Source: National Custom & Self Build Association

The average size of a cohousing community is 16 homes, and the number of households ranges from 10 to 42. Lancaster Cohousing (see panel) is the largest, with 42 households.²⁴

The emphasis of existing cohousing homes is on home ownership rather than shared ownership or affordable/social rent. This contrasts with CLTs and co-operatives, where the emphasis of existing development is firmly on affordable/social rent.

Although the number of renovated homes in the sector is currently greater than the number of newly developed homes, analysis of data returns by the UK Cohousing Network suggests that the picture could be changing.

Table 3: Homes to be developed or renovated by the cohousing sector to 2018

	Planned new-build homes	Planned renovated homes
Looking for land or earlier		10
Land identified	64	1
Land acquired	59	
Planning permission applied for	54	
Planning permission granted	48	4
Finance identified	30	
Finance agreed	46	26
Total	291	41

Source: UK Cohousing Network survey, 2015

The number of new-build homes in the pipeline far exceeds the number of planned renovations. This may in part be because new-build requires a long lead-in process (identifying land, applying for planning permission and so on) whereas renovation may be a more "opportunistic" activity involving waiting until a suitable property becomes available and then moving quickly. Nevertheless, the above data does suggest that new-build is currently the main focus for future expansion.

Laughton Lodge

Laughton Lodge is a cohousing community in the village of Laughton in East Sussex. Built on a 23-acre disused hospital site, the lodge is home to around 70 adults and children in 21 houses. All have access to a large community centre with meeting rooms, music rooms and guest rooms. Members of the project purchase their properties leasehold from the company – they then become directors of the company and share in common with the other directors the responsibility for the freehold of the site, including the land and communal buildings.

The proportion of completed development that is HCA grant-aided has so far been very small (around 1.5 percent). It is estimated that 5.4 percent of the homes in the development pipeline will be HCA

capital-grant-aided. That this is such a small proportion will be in large measure due to the fact that most development will be for home ownership.

The UK Cohousing Network also suggests that as grant levels have fallen, the costs of accessing such grant are frequently too high to justify. It has also been suggested that housing associations may be less willing to partner with community-led organisations than they once were because a combination of low grants and welfare reform have made them more narrowly focused on commercial objectives and viability.²⁵ This latter point is explored later in the report.

In addition to those organisations obtaining capital grant funding, five groups have also obtained support from the HCA Community Led Project Support Fund.²⁶ Other sources for funding have included charities such as Tudor Trust.

Looking further ahead, the UK Cohousing Network estimates that a further 231 new-build and 17 renovated homes are planned for the period 2018-20, although the larger proportion of these projects have still not identified a suitable site.

LILAC cohousing group

LILAC (Low Impact Living Affordable Community) is the UK's first ecological and affordable cohousing project. Based in Bramley, West Leeds, the award-winning project comprises 20 off-site-built homes and a communal house, constructed using low-carbon techniques and with low-carbon materials such as timber and straw. The development was self-funded by its members with assistance from the HCA, the Department for Energy & Climate Change, and Leeds City Council. Each resident has a lease that gives them a say in the management. They pay an equity stake to the co-operative and retain equity in the scheme. After deductions for maintenance, insurance and the like, these payments cover the overall mortgage for the whole development. The amount each resident pays every month and the number of equity stakes they hold depends on how much they earn. Monthly payments are set at around 35 percent of each resident's net income.

Source: National Custom & Self Build Association

Cohousing provides a good example of the concept of expansion of activity by "scaling out" rather than "scaling up". For example, even with the rapid development of new homes (which will more than double the size of the sector) the average size of a cohousing community will almost certainly still be similar to the present figure of 16 homes.

Cohousing expands by creating new organisations rather than enlarging existing bodies (which is often the case with housing associations). This is essentially because the sector's culture is rooted in the desire to remain close to local communities and responsive to changing needs. This can create innovative communities, of which the Leeds-based LILAC (Low Impact Living Affordable Community) cohousing group is an excellent and influential example in the ecological field.²⁷

Impressive as projects in the UK have been, overall the level of cohousing activity in the UK has been much smaller than in some European countries. In Denmark, for example, around 1 percent of the population (50,000 people) now live in cohousing; in the Netherlands there are now more than 100 cohousing projects. Cohousing also exists in France, Spain, Belgium and Italy.²⁸

Self-help housing

Self-help housing is probably better seen as involving a particular activity rather than as a specific mode of community organisation. Community groups have, in fact, been bringing empty homes back into use at least since the late 1960s. Homes may be empty for a variety of reasons and their revived use may be for the short or long term.²⁹ However, self-help organisations do not only rehabilitate homes; they also take on a variety of other commercial properties, including redundant shops and pubs. Such property provides an opportunity to provide broader community benefit in terms of services, training and employment opportunities. Indeed, self-help organisations measure their contribution in terms that are significantly wider than simply providing homes.

Self-help organisations do not have a single legal form of incorporation and are defined by their activity rather than formal structure. The main housing activity of self-help groups is the renovation and renting of existing homes in order to bring them back into use. While new development of homes is not the main focus of activity, responses from interviewees and to the online survey conducted as part of this research suggest that some self-help groups are considering building homes in the future.

Self-help groups may adopt a variety of structures, including community benefit societies, community interest companies, companies limited by guarantee and co-operatives. Some may register as charities and some operate as community land trusts.

Canopy Housing

Canopy Housing, based in inner-city Leeds, was set up in 1996 and focuses on renovating derelict houses in the area. Using a large team of volunteers, Canopy Housing brings derelict houses back to life to serve as homes for the homeless. Through its renovation programme, Canopy Housing also brings together communities and provides valuable experience to volunteers, in particular young people in the area.

In 2014 there were around 120 self-help groups in existence.³⁰ However, according to self-help-housing.org, this had risen to around 170 by mid 2015. Overall, the total number of homes currently owned or managed by self-help organisations is around 2,750, providing homes for 6,000 people.³¹

Like other community groups, self-help organisations have social purposes that go beyond the provision of housing. For example, most of the self-help housing organisations involve local trainees or apprentices in renovating properties, often helping disadvantaged people.³²

In 2012 the government launched the Empty Homes Com-

munity Grants Programme, which ran until 31 March 2015. The aim was to enable community groups to bring empty homes back into use. The EHCGP was a subset of the HCA Empty Homes Grants Programme 2012-15, which allocated in total £160 million in two tranches over that period. It has been estimated that around 1,290 homes were renovated as a consequence of participation in the EHCGP. This represents a major expansion of the self-help sector. The future provision of grant along the lines of EHCGP is currently in doubt, and as mentioned later in the report, this has created a high level of uncertainty about future prospects for development.

Self-help housing exists in Germany, where it has scored some successes including the refurbishment of 5,000 flats in Berlin, and substantial renovation and conversion projects in Leipzig and Freiburg.³³

Custom-build

Custom-build has been defined as the "development of homes which are commissioned or built by individuals or groups of people including community-led housing, for their own use, either by building the home on their own, or by working with builders".³⁴ The definition therefore embraces both individual self-build (the large majority, covering some 9,000-10,000 homes a year) and some custom community-build, which amounts to around 100-150 new units a year.

Custom-build was a particular favourite of the Coalition government:

*The Custom Build industry is important for our national economy. It is worth approximately £3.6 billion a year, safeguarding and creating new jobs, strengthening the construction supply chain and making a real contribution to local economies. Currently custom home builders are building as many homes each year as each of our individual volume house builders, with around 13,800 custom homes completed in the UK in 2010/11. Custom Build Housing also brings many other benefits, providing affordable bespoke designed market housing, promoting design quality, environmental sustainability, driving innovation in building techniques and entrepreneurialism.*³⁵

Custom-build shares some of the same challenges as community-led development, such as access to advice, skills and expertise and interface with planning and financial institutions.³⁶ The sector, however, benefits from relatively generous funding, including the £150 million Custom Build Serviced Plots Loan Fund aimed at SME developers (for schemes comprising between five and 200 units).

In terms of affordability, and accessibility to those on moderate incomes, the difference between community-build and individual custom-build is stark. It was estimated in 2011, for example, that the average self-build property had a value of £255,000. This is significantly above the average house price for that year. In addition, it has been estimated that 65 percent of individual self-build homes have four or more bedrooms and 45 percent have three or more bathrooms. The

average floor area is 218 square metres, against a UK average of 104 square metres; most tellingly, 50 percent of individual self-builders have annual incomes of more than £50,000 and 20 percent own more than one property.³⁷

Despite strong government backing, self-build in the UK continues to lag behind much of Europe. In Eastern Europe, for example, self-build accounts for over 50 percent of new supply. In Austria, it accounts for up to 80 percent, in Germany 60 percent, in Hungary 52 percent, in France 38 percent and in Sweden 30 percent.³⁸ In Berlin, for example, according to the Nationwide Foundation:

*... around 15% of all the new homes currently being built are now organised by local "building groups"; the homes are custom designed to suit their occupants, and they also typically work out about 25% cheaper than conventional market built properties.*³⁹

However, there has been a recent surge of public interest in self-build, encouraged by TV programmes such as "Grand Designs". The scale of self-build has also increased. The new Graven Hill project in Cherwell, near Bicester, for example (one of the government's "right-to-build vanguards"), extends to nearly 190 hectares and has outline planning for 1,900 self-build homes. Nevertheless, as the National Custom & Self Build Association stated:

*Anecdotal evidence suggests that community self build finance is even more difficult to come by given that such schemes often involve multiple builders on lower incomes. Financing large group and community self-build projects remains challenging.*⁴⁰

(iii) The case for community-led housing

Although community-led housing accounts for under 0.6 percent of all UK housing in the UK, there appears to be growing public interest in a variety of community approaches. Survey evidence for the DCLG from 2013 suggests that support for new homes from local residents is higher where local people have more control over what is built, where community participation in the planning process is introduced, and where design of new homes is considered to be of high quality.⁴¹

Community-led housing offers a sense of community and locality, as well as:

- a belief in accountability to those who have to live with the outcomes of housing activity;
- a commitment to innovation in design and planning; and
- a belief that housing should stand within a broader community context and that housing activity should be part of a wider conception of social benefit.

According to the Building & Social Housing Foundation:

Community-led housing stands apart from other forms of

supply as by definition it represents a genuine reflection of demand – homes people have invested a personal interest in, ensuring satisfaction; that are not imposed on them, ensuring support; and that they are providing in their own back yard, ensuring quality.

Benefits of community-led housing

- Affordable housing for local people
- Improved quality of housing stock through the renovation and reuse of existing buildings
- Improved affordability through low-carbon housing, reducing utility and energy costs as well as lessening the impact on climate change
- Community ownership of assets and retention of local wealth, enabling access to further funding
- Support for local supply chains and improving the skills and employability of local people
- Strengthened communities with increased confidence, capacity and control

Source: Building & Social Housing Foundation

Locality claims that there is well documented evidence of high levels of satisfaction with co-operatively managed homes, with approval ratings of services in the region of 90 percent, providing a favourable comparison with the mainstream social housing sector. The Joseph Rowntree Foundation's work on small community housing providers also found that their financial performance and key ratios (gearing, interest cover and average operating margins) compare favourably with the mainstream sector.⁴²

While the debate in England and other parts of the UK has been broadly positive towards community-led housing, there are concerns about how communities and community-led developments adapt to a climate of continued fiscal austerity and widening inequalities. In particular, there are anxieties over how communities are coping with the withdrawal of state assistance and support to community groups.⁴³

According to the Economic & Social Research Council's 2014 briefing paper titled *The Big Society, Localism and Housing Policy*:

There is much to be learnt and appreciated in the community-led non-profit housing sector. However, these organisations cannot solve all of the problems facing low-income communities, and nor should they be expected to, particularly if the success of their work is contingent on reconciling competing and contradictory governmental rhetoric found in discourses of localism and big society. Community-based housing groups can make significant contributions to affordable housing, regeneration, and local wellbeing, but they cannot be expected to replace traditional social housing or resolve fundamental societal issues on their own, without local and central government support. The case of community-led housing therefore raises important questions about the role of the state, and whose responsibility it is to meet the

*housing (and other) needs of local people.*⁴⁴

As discussed in the following sections, the political and policy context for community-led housing is in flux and it is unclear how programmes and funding regimes may change. For some this uncertainty, especially surrounding further cuts in public spending, is itself a barrier to growth.

(iv) The policy context

Recent governments have to some degree encouraged both community-led housing initiatives and custom-build, although the policy focus has been mostly on self-build. The 2015 Conservative party manifesto, for example, stated:

We aim at least to double the number of custom-built and self-built homes by 2020, and we will take forward a new Right to Build, requiring councils to allocate land to local people to build or commission their own home, as you can do in most of Europe.

Both community housing and self-build cohere with the government's call for more diversification in house building and greater "housing localism". However, the push for more self-build is much more in tune with the government's overarching aim of increasing home ownership (which has been on a downward trajectory since 2003). According to the DCLG:

*The government is committed to removing the main barriers which hold back many thousands of custom build projects every year. We will make it easier for more people to build their own home and make custom build a mainstream option for future home owners, not an exception for a privileged few.*⁴⁵

Much of the current policy agenda for community-led housing is rooted in the previous government's 2011 housing paper, *Laying the Foundations: A Housing Strategy for England*. The measures listed in the paper which have been implemented subsequently include:

- *Community right to build*: This right is designed to give local communities who set themselves up as a corporate body "freedom to build new homes, shops, businesses or facilities where they want them without going through the normal planning application process." Any proposal must have the support of 50 percent of voters in a referendum and must meet some minimum requirements in terms of national planning policies and strategic elements of the local plan.⁴⁶
- *Community right to reclaim land*: In respect of land owned by local authorities and certain other bodies, anyone can send a request to the secretary of state claiming that the land or property is underused or vacant, that there are no suitable plans for its use and that it should be disposed of to bring it back into use. The secretary of state will assess the request and can issue a disposal notice on the owning body requiring disposal of that land.⁴⁷

- *Neighbourhood planning*: Communities can choose where they want new houses, shops and offices and grant planning permission for these.⁴⁸ However, these proposals must be incorporated into neighbourhood plans drawn up by parish or town councils, or neighbourhood forums, with the support of the local planning authority.

While these measures are intended to function as "rights", they are limited by various external requirements such as the need for a referendum (for neighbourhood plans, for instance), or the right of the secretary of state to make an assessment. Nevertheless, they are clearly intended to fall within the category of empowerment measures.

As highlighted in the next section of this report, these measures did not gain universal support. According to Future of London research on localism in the capital, the majority of London boroughs in London did not like either the government's neighbourhood agenda or the community empowerment measures arising out of the localism agenda.⁴⁹

West Kensington and Gibbs Green Community Homes: right to transfer

Residents in west London are seeking to obtain community ownership of two housing estates that are at risk of demolition and forced rehousing. The two estates – West Kensington and Gibbs Green – comprise 760 homes, mainly occupied by social housing tenants. The land is owned by Hammersmith & Fulham Council, but the homes are under threat of demolition as part of the wider Earl's Court redevelopment.

The residents of this community have come together to form West Kensington & Gibbs Green Community Homes in a fight to protect their homes. They are seeking a "right to transfer", which they argue would enable them to retain and invest in existing properties and provide new affordable homes on infill sites.

Community right to build

The community right to build (CRTB) has been criticised by the UK Cohousing Network and the National CLT Network as overly complex and actually posing a "disincentive" to community groups. In fact, by September 2014 only three community right to build orders had passed their independent examination.⁵⁰

Many in the sector claim that the 2011 Localism Act misunderstands the way community-led housing groups emerge and evolve. Furthermore, it is said that the act does little to help build the capacity and expertise needed to prepare business plans in the first instance.⁵¹

The House of Commons communities and local government committee inquiry into the CRTB concluded:

The Community Right to Build is clearly not the most popular way of starting a community-led housing project. It has been

*described as complicated, adversarial and risky, and, based on funding applications, it appears that nine times as many groups opt to apply for planning permission as choose to use the Right to Build process. The referendum requirement also seems disproportionate to the scale of development. It is difficult to see any significant benefits to its retention in its current format.*⁵²

However, some see the community right to build as an opportunity. According to Locality (which offers a CRTB online support service), the CRTB "presents incredible opportunities for people to have a greater stake in their area". The House Builders Federation suggests that the CRTB could bring additional possibilities to meeting the housing needs of more rural areas. HACT comments that the CRTB may have a role in providing homes to meet specific needs, such as those of the elderly.⁵³

It has been suggested:

*The problem with these community rights, however, is that they are not well known and local communities often lack the skills to use them effectively. In general, local communities need more information and training on models of participation and community-based governance, as well as the effective use of funds for community initiatives.*⁵⁴

Self-build and custom-build legislation

In the final months of the last parliament, Richard Bacon MP successfully promoted a private members' bill to require local authorities to keep a register of custom builders wishing to acquire a plot of land to build their own home. The resulting Self-build and Custom Housebuilding Act 2015 also requires local authorities to grant "sufficient suitable development permission" for serviced plots of land to meet the demand based on this register.⁵⁵

Land and planning

The independent housing review produced in 2014 by Sir Michael Lyons highlighted the potential for co-operative housing models to "play a role in the delivery of Garden Cities and large scale development, both in terms of stewardship of the development and in developing co-operative housing schemes of different tenures within the development".⁵⁶ Lyons also pointed to lack of affordable serviced land with planning permission as a genuine constraint and recommended that "shovel-ready" serviced plots with outline planning permission should be made available at local level (similar to what happens in the Netherlands and Germany).

The previous government made some limited progress in this area through its support for 22 pilot projects. Whether in the future councils will be forced to make land available just for community-led housing is questionable. Few councils can afford to "gift" the land.

The National CLT Network has suggested that there should be a "presumption in favour of communities" when planning permission is considered. It has also suggested that CLTs

should be included in plans for major urban extensions and new garden cities. The network has also proposed that the National Policy Planning Framework should recognise CLTs, in order to facilitate their working with local planning authorities.⁵⁷

Other organisations have pointed to the opportunities offered to community-led housing groups by section 106 planning agreements, with their requirements for affordable housing (or commuted sums that can be disbursed by local authorities). In relation to planning, the National Custom & Self Build Association suggests that:

- demand assessment should take account of custom-build and that registers of custom-builders should ask the right questions and be well publicised;
- solutions should be appropriate to the area; in urban areas where land is more expensive "collective" solutions may be more applicable; and
- policies should facilitate custom-build by, for instance, having a presumption in favour of "infilling" and use of local development orders and design briefs.⁵⁸

According to research by Demos, planning applications from the community-led housing sector are currently approved more often than other applications:

*However, councils fail to make a decision over community-led housing within their target time period more often than for applications from other housing sectors.*⁵⁹

One planning provision that has been used by community-led housing organisations is the provision for rural exception sites.⁶⁰ This provision allows local authorities to release land that would not normally be available for the development of affordable housing in perpetuity. CLTs, for example, have made strong use of rural exception sites. However, as mentioned in the next section, the recent announcement that the Starter Homes Initiative will be able to utilise rural exception sites has caused consternation, since it has been suggested that this could displace community-led development (and in any case starter homes will not necessarily remain affordable in perpetuity).^{61, 62}

Cumbria Rural Housing Trust

The Cumbria Rural Housing Trust is a charity founded 25 years ago that researches the housing needs of rural Cumbria and campaigns on those issues. Using surveys and other research, the trust seeks to expand understanding of Cumbrian housing issues at both local and national level, and to promote the social and environmental benefits of affordable housing.

(v) The new housing agenda

The government's new housing policy agenda was set out in its Housing and Planning Bill 2015, which is expected to be enacted in early 2016.⁶³ Most of the measures in the bill impact in one way or another on the sector, not least in respect of

the overarching policy shift towards home ownership and the redirection of public funding away from social (sub-market) housing.

Some of the proposals, such as making permanent permitted development rights to enable the change of use of office buildings and light industrial buildings, and placing a new duty on councils to help allocate land for 20,000 custom and self-built homes a year by 2020, have been broadly welcomed.

However, the community-led sector has been critical of the government's welfare reforms and the policy bias against social housing. In particular, the sector is concerned that the extension of the right to buy to cover housing associations may affect community-led housing groups that are or become registered providers (that is, those groups that have this status to get housing grant). As the Keswick Community Housing Trust's chair, Bill Bewley, put it in a letter to the House of Lords in June 2015:

*We need to provide truly affordable housing for people who work here on low wages and to retain available affordable housing against a property market which attracts high prices... to grant a 'Right to Buy' measure in the proposed form defeats the object of our charitable trust and totally undermines our good efforts.*⁶⁴

The Keswick Community Housing Trust

The Keswick Community Housing Trust in Cumbria was formed in 2008 to provide local affordable housing. Land was bought from the local church at a discounted price of £10,000 per plot. The trust raised £60,000 towards the site through a community share issue and got additional grants from the CLT network, the local authority, the Quakers and, after recognition as a registered provider, the HCA (at £28,000 per unit). The 11 units completed in 2013 consist of one market unit for local occupancy, five shared-ownership units at 50 percent of market value (with no rent on top of the mortgage), and five affordable-rent units.

Source: Joseph Rowntree Foundation

According to the UK Cohousing Network:

*The Government's proposed extension of the Right to Buy could pose a significant threat to the community-led housing sector including those cohousing groups that are seeking to create affordable housing in partnership with housing associations to maintain a balanced and mixed income community.*⁶⁵

The National Housing Federation offer to the government to voluntarily extend the right to buy was formalised into an agreement in October 2015, so that the Housing and Planning Bill did not contain statutory provisions to extend the right to buy itself. This extension of the right to buy had been of direct concern to community land trusts and housing co-operatives, since the ability of tenants to buy homes previously designated as "affordable in perpetuity" or in mutual ownership was seen

as undermining the core purposes of the CLT and co-operative sectors.

The Housing and Planning Bill

The new Housing and Planning Bill is intended to “kick-start a national crusade to get 1 million homes built by 2020... and to transform generation rent into generation buy”.⁶⁶ The bill and other measures affecting the community-led housing sector have been reinforced by the measures announced in the spending review and autumn statement 2015.⁶⁷ They include:

- automatic planning permission in principle on brownfield sites and planning reforms to support small builders (including a new duty on councils to help allocate land to custom and self-build homes);
- provisions to compensate housing associations for selling homes at a discount and provision for local authorities to fund that compensation based on the receipts that could be raised by selling high-value council housing stock;
- new “pay to stay” arrangements for social tenants on higher incomes;
- the freezing of local housing allowance for four years;
- the reduction in the benefit cap from £26,000 to £23,000 in London and £20,000 outside London;
- freezing of working-age welfare benefits for four years and a reduction in other benefits;
- an expanded Starter Homes Initiative with a legal duty on councils to deliver 200,000 starter homes at a 20 percent discount on market price (with first-time buy properties exempt from section 106 agreements);
- a major shift in financial provision from provision of sub-market rental homes to the development of starter homes for sale;
- all local plans in place by 2017; and
- a 1 percent reduction in social rents per year for four years (leading to an estimated 12.9 percent loss of revenue over what was expected under the previous agreement to raise rents by CPI plus 1 percent).

In the event, the National Housing Federation offer to government provided for exemptions from the right to buy for certain rural homes, for homes owned by co-operatives and CLTs, and for properties provided through charitable or public-benefit resources or bequeathed for charitable or public-benefit purposes. The immediate threat from the right to buy has therefore receded for almost all the community-led sector groups.⁶⁸

The government’s new housing measures are expected to affect the sector’s relationships with housing associations and local councils. Some housing associations, for example, are already saying that they may cut back on community involvement as a consequence of the cut in their rental income.⁶⁹ Many councils are also reviewing their spending plans in light of planned cuts in government grants.⁷⁰ The Local Government Association claims that the changes to section 106 agreements to support the Starter Home Initiative will alone cost councils more than £3 billion in lost income by 2020.

The changes to welfare benefits are also predicted to increase rent arrears and to push up the costs of rent collection across the affordable sector. Clearly, community-led groups that let properties to those in receipt of benefits will be affected similarly. One self-help interviewee had already considered this possibility.

The expanded Starter Homes Initiative could also have significant effects on the community-led sector, not least in regard to the knock-on effects on the demand for intermediate housing, including shared-ownership homes.⁷¹

The announcement that the Starter Homes Initiative will be promoted on rural exception sites may come as a blow.⁷² Community-led groups have made good use of rural exception sites, and some local authorities have promoted them with community-led groups (notably CLTs) in mind. If there is now to be competition for these sites, the position could become more difficult. In addition, this move suggests that the government’s commitment to “affordability in perpetuity” may be rather limited. Starter homes are only subject to restrictions on resale for the first five years after construction.

The 2015 spending review announced a major shift in resources towards starter homes and away from affordable rented development, with £2.3 billion committed to funding this programme. This funding commitment, combined with the fact that the provision of starter homes by private developers supports the government’s emphatic home-ownership agenda, must create serious doubts about the commitment the present government may have to make additional funds available for community-led initiatives that do not firmly fall within policy parameters.⁷³

There have been concerns for some time that housing associations could be reclassified as part of the public sector if government intervened further in such areas as rent setting and extension of the right to buy. This would place their assets and liabilities on the public balance sheet and could lead to greater (and creeping) government intervention in the management and strategy of housing associations.⁷⁴

In the event, the Office for National Statistics announced the reclassification of private registered providers (PRPs) as public bodies on 30 October 2015.⁷⁵ This reclassification was prompted by legislative and regulatory changes initiated by the Housing and Regeneration Act 2008, leading to speculation that the new status of PRPs could be reinforced by recent government interventions such as the 1 percent annual reduction in social rents for four years (required under the Housing and Planning Bill) and “pay to stay” arrangements (see above). Although the government has indicated that it will introduce deregulatory measures to restore the position of PRPs, the longer-term implications remain unclear.

The direct impact of the decision on the community-led sector is mainly in relation to community-led bodies that are registered as PRPs, which will fall within the scope of the ONS decision. According to the National CLT Network, eight PRP CLTs are affected by reclassification. In addition around 230 co-operatives

are registered as PRPs, and it appears that they also will now be subject to reclassification.⁷⁶

Although reclassification is unlikely to have much immediate practical effect, some argue that there are risks arising from reclassification for bodies that are accountable to their members and local communities.

A possible indirect impact of this decision which is not tested in this report is the possibility that the confusion created by the decision and fears of future government interference may cause housing associations to retrench and focus on core activity, to the further detriment of their relations with community-led groups.

Current government legislation suggests a less favourable policy environment for the community-led sector than prevailed under the Coalition. The direction of travel of seems to be along these lines:

- a shrinking social/affordable rented stock, increasingly used as a revolving door for home ownership via the right to buy;
- a withdrawal of any grant for sub-market rent;
- increasing reliance on private developers to develop new housing supply; and
- an overriding commitment to reversing the fall in home ownership.

While vestiges of the previous localist-flavoured housing agenda persist (especially around custom-build), community-led housing groups may find it harder to form partnerships with local actors. Both of the sector's main partners – local government and housing associations – are having to adjust to a rapidly changing policy landscape, and both are facing difficult funding challenges. According to a recent report from Demos:

*There are numerous benefits to community-led schemes once they are built, such as lower levels of rent arrears, vacancies, tenant satisfaction and looking after communal areas; many of these can lead to cost savings in other areas for local and central government.*⁷⁷

(vi) Funding the future

Commentators on the sector have often pointed to the lack of understanding of community-led models among mainstream lenders. This frustration with conventional lending is arguably why the Building & Social Housing Foundation and others have consistently argued for public funds to be allocated specifically to community-led organisations (through the EHCGP and latterly the HCA).

The sector has long claimed it faces serious barriers to obtaining public funds, including: difficulties with application procedures and reporting and regulatory requirements, lack of awareness among potential applicants of what opportunities exist, and financial and asset constraints leading to inability to access funding streams.⁷⁸ According to Locality:

*The difficulty of raising funds for projects has often led small community-led housing projects into partnering with housing associations in the past (to avoid the necessity of becoming registered providers).*⁷⁹

A big part of the problem is that new organisations lack a borrowing track record, and the special requirements of lending to co-operatives (such as non-recourse lending) may not be attractive. Co-operatives that are unregulated may also be at a disadvantage.⁸⁰ The National Custom & Self Build Association has also drawn attention to this issue, suggesting that local authorities should institute "build now, pay later" schemes and make available local mortgages and revolving funds.⁸¹

The situation is markedly different for co-operative housing, which can raise funds through bodies such as community development finance institutions and draw on existing assets.⁸²

Loan finance

Like any private housing provider, community groups will have to use the asset value of the homes that they own as security to access loan finance, although this is not the only source of funds. Organisations will have to access funds for new development or refurbishment and conversions. Where home ownership is involved, it will be necessary for purchasers to access retail mortgage finance on reasonable terms.

The mainstream affordable housing sector is heavily reliant on a very small number of lenders to provide most of its loan finance (which makes up 77 percent of total funding), although this percentage is declining as the capital markets assume greater importance. The sector has total loan facilities of over £72 billion.⁸³ The position for community-led organisations is of course very different since individual funding requirements are usually much more modest and the capital markets will not usually be an option.

Although small funding requirements will open up a wider swathe of lenders, the mainstream lending sector of banks and building societies is inevitably important. It has been suggested that mainstream lenders do not understand the operational models for the community-led sector. While this is probably a bigger issue for the more recently established models such as CLTs than for some long-established (and HCA-registered) co-operatives, it has been widely cited as a problem for the sector.⁸⁴

Nevertheless, a few smaller lenders do hold themselves out as more sympathetic to the sector. Triodos Bank claims that:

*... the Bank can help projects to innovate and businesses to emerge and develop select projects which will bring real and meaningful benefits for the wider community – for which creating cultural, social and environmental added value is as important as meeting commercial and financial targets.... Within the sectors Triodos Bank is currently active in, the Bank identifies and finances projects that combine added cultural, social or environmental value with financial credibility.*⁸⁵

Triodos, which is a significant lender to the community housing sector, clearly offers a more understanding approach. Similarly, the Ecology Building Society places a premium on lending for

projects that promote environmental sustainability and which aim to develop sustainable communities.⁸⁶ Important as these and two or three other “committed” lenders are to the sector, they do not have the lending capacity to meet more than a small proportion of its funding requirements. The Ecology Building Society, for instance, has a total loan book of around £100 million.

It may be possible to increase the number of funders available to the sector through some form of aggregation, perhaps along the lines suggested by the Commission for Co-operative & Mutual Housing.⁸⁷

The co-operative sector is in some ways distinct from the rest of the community-led sector in that it is longer established, manages much more stock, and is composed of organisations that are generally larger and in many cases are regulated by the HCA. Nevertheless, funding has been an issue for housing co-operatives. It has been suggested that funding requirements are often too small for the larger lenders and for commercial lending teams but too large for the high street.⁸⁸

The Confederation of Co-operative Housing has lent its support to a proposal for a £250 million loan fund supported by a consortium of housing associations with access to funding or by a “warehouse” financing body. With such an arrangement, it believes that many of the issues listed above could be circumvented, facilitating development of an additional 1,500–2,500 homes.⁸⁹

Such an approach could involve creating a vehicle, as suggested by the Confederation of Co-operative Housing above, or might even involve direct mediation by an aggregator between larger lenders and community-led groups. The aggregator would thus be capable of negotiating funding with mainstream lenders and disbursing them to the community-led sector. In the post-banking-crisis environment, banks are reluctant to offer long-term funding even to the mainstream affordable-housing sector. Housing associations, for example, have become increasingly reliant on accessing capital market (bond) finance. In this connection, aggregators such as The Housing Finance Corporation play an important role in bringing together smaller housing associations and capital market finance.⁹⁰ An aggregator might undertake the role of mediating between larger lenders and/or the capital markets and the community-led sector.

Retail mortgage lending

Groups building shared-ownership or other home-ownership properties will have to ensure that retail mortgage finance is available. The need to ensure affordability for homes in perpetuity means that terms of sales can sometimes be more restrictive than in the mainstream home-ownership market.

A number of retail mortgage lenders were consulted for this research. They focused on three practices that might deter them from lending on products offered by community-led groups:

- *Limitations on who could buy a property after the first sale*
Lenders were concerned that difficulties in selling a property, or of selling at full value, could prejudice their chances of realising their security in the event of default.

- *Limitations on the price at which a home could be resold on the market*

Again, the lender concern is about failing to realise the value of security on sale if a borrower defaults.

- *Complexity of the sale offer*

Mortgage lending is very much a computerised process, which relies on standardisation. Mortgage lenders are unenthusiastic about creating special systems for complex home-ownership products that produce small loans of a limited volume of lending overall.

In order to protect their collateral, it is common for lenders to seek an exemption for a mortgagee in possession so that in the event of default a lender can sell the property without additional limitations on who can buy or at what price restrictions.

An important consideration is whether there are enough lenders willing to support the retail lending requirements of the sector to provide sufficient lending capacity and adequate choice for customers. The example of shared-ownership lending offers an illustration.

There are currently about 19 lenders willing to lend for mainstream shared ownership.⁹¹ This represents less than 20 percent of the membership of the Council of Mortgage Lenders. However, there is little evidence that potential shared owners are being turned away because of a lack of lending capacity. In most cases there are enough lenders in that sub-market to meet demand and so to offer potential borrowers a choice. The important response for community-led groups, anxious to preserve affordability for local access to home-ownership products, is to consult brokers or lender representatives to ensure that they can obtain sufficient engagement by retail lenders; universal engagement is not necessary.

One important concession that community-led groups can make in relation to home-ownership products is to exempt a lender in possession (that is, a lender who has repossessed a property after the borrower has defaulted) from resale restrictions. Feedback from lenders and other stakeholders suggests that this is frequently done.

Lenders consulted for this research indicated that restricting potential purchasers to those living in the locality could affect the loan-to-value ratio at which they would lend. Similarly they would be concerned at restrictions on price that could push sale prices too close to the underlying security value. However, it was noted that restrictions on price tended to amount to a cap on first and subsequent sale prices at 80–90 percent of market value. This was seen as unobjectionable since the loan-to-value ratio offered could reflect the lower purchase price rather than open-market value. The property would subsequently appreciate in value in the normal way, with the subsequent sale price reflecting that increase, but with a perpetual discount that passed from purchaser to purchaser. Lenders were less likely to welcome attempts to tie future sale prices to increases in average earnings or the Retail/Consumer Price Index, since these added significant uncertainty about future demand for such properties.

At present this is largely a theoretical issue. The community-led sector is currently developing fewer than 200 homes a year for home ownership or shared ownership. Not all of these will be bought by buyers requiring a mortgage, and the number of such transactions handled by any one lender will be tiny.⁹² No community-led interviewee reported a problem in buyers obtaining mortgages, suggesting that currently homes are being offered on terms that at least some lenders will accept. Where the issue could become more significant is if the sector scales up its activity. In that situation, lenders may become more aware of transactions that potentially pose a risk and a wider spectrum of lenders would probably be involved. This is an area where the sector, together with the individual subsector representatives, could play a useful role in highlighting likely lender requirements and in ensuring that there is not a proliferation of different solutions to securing affordability and local preference. This is one area where standardisation is helpful.

Social housing grant

Bank finance is not the only source of funding. Some community-led groups – particularly, although not exclusively, those that are registered as private registered providers with the HCA – can access social housing grant under the Affordable Homes Programme. Other groups have made use of the Empty Homes Community Grants Programme.

The 2011-15 Affordable Homes Programme offers social housing grant specifically designated for community-led organisations. However, to access grant those organisations had either to register as a registered provider or partner with a housing association. Registration as a registered provider is a route taken by a few organisations, notably in the CLT sector. However, it is generally acknowledged to be a formidable process that subsequently places significant administrative demands on the registered organisation and now carries the risk of reclassification as a public body.⁹³

The difficulty in travelling this route was not underrated even by sources close to the HCA, and only eight CLTs have taken it. The route of partnering with a housing association has proved more popular and more viable, since it allows the housing association to use its relationship with the HCA and with lenders to secure funding and enables a CLT to rely on the expertise of the housing association in areas such as planning and procurement. Whichever route is taken to secure HCA funds, it is likely that cross-subsidy of affordable rented homes from shared-ownership or open-market sale will be required where practicable.

The 2015-18 Affordable Homes Programme is not ring-fenced for community-led organisations/projects, although they are free to apply for grant as registered providers or as partners of a housing association. It is often difficult for small organisations with limited resources and little previous experience of social housing grant to apply, in any case. Having to compete with large housing associations and some local authorities is likely to make the position even harder.

The National CLT Network calls for a dedicated grant funding stream under the Affordable Homes Programme, local revolving

funds for development finance, further EHCGP funding and a government guarantee to buy back properties in the event of a CLT default in order to encourage lenders.⁹⁴ The proposal for dedicated funding pots is particularly relevant, as funding for community-led building is often contained within initiatives to promote custom building. For example, around half of London's allocation of the Custom Build Investment Fund (some £3 million) was granted towards the community right to build.⁹⁵

Empty Homes Community Grants Programme

The Empty Homes Community Grants Programme, which ran from April 2012 until March 2015, was part of the Coalition governments' Empty Homes Programme. It was a ring-fenced funding pot for non-registered housing providers, especially designed to give communities the opportunity to bring empty homes back into use – often in partnership with housing associations and other community groups.⁹⁶ Early independent evaluations of the scheme suggest that it has been successful, not least in bringing new community groups into housing and maximising social impact.⁹⁷

Empty Homes Community Grants Programme

The EHCGP was a subset of the HCA Empty Homes Grants Programme 2012-15 and administered by Tribal rather than the HCA itself. Evidence presented in the following section of the report suggests that this was a popular decision. Around £51 million was disbursed in two phases to 110 community groups out of 147 that had applied. In addition, self-help groups levered in a further £23 million in capital funding from other sources, including Charity Bank, Unity Bank, Triodos Bank, Big Issue Invest and Ecology Building Society. According to self-help-housing.org, 1,290 homes have been brought back into use over the period of the EHCGP programme.

There is evidence that significant financial leverage has been achieved by organisations participating in the programme. According to a 2015 survey by HACT, for every £1 in grant funding around 50p was secured in match funding – 43 percent in the form of loans, 26 percent from the organisations' own resources, 22 percent from grants, and 9 percent from the owners of the empty properties.

The grant rate per unit under the EHCGP was roughly £39,500, compared with £23,500 per unit under the current Affordable Homes Programme.⁹⁸ By comparison with current grant rates for new affordable homes, the rate may seem high. However, the two are not directly comparable since they cover different activities/purposes. In addition, there are other factors to be taken into account:

- The Affordable Homes Programme will benefit from subsidised land, the historic rental subsidy from properties built some time ago, recycled grant from previous programmes, and funds contributed from surpluses by housing associations themselves.
- The data on the EHCGP may not be complete.

- The comparison takes no account of indirect benefits (like non-housing community benefits such as increased employment or reduced crime) from the programmes. In the case of the EHCGP, these have been substantial.

According to HACT, nearly all organisations that bid for EHCGP funding would bid for such funding again. However, at the time of writing there is no indication from the government that they intend to renew this funding stream. As reported in the following section, its withdrawal could have a very damaging effect on the sector.

Community buildings grants

These grants are quite small and apply to community buildings, not simply for housing. Community buildings pre-feasibility grant is available for grants from £1,000 to £10,000, and community buildings project support grant for amounts of between £5,000 and £40,000. While such amounts are likely to be helpful in the feasibility stage, they are unlikely to be sufficient to meet the needs of an organisation up to and including the planning application stage. In addition, the amounts of grant that are available in total are small. According to DCLG estimates, there is £610,000 of community buildings pre-feasibility grant available until 2018 plus £860,000 of project support grant.⁹⁹

Planning gain

Planning gain (mainly through section 106 agreements) is still an important mechanism for providing affordable homes, although less significant than in the past.¹⁰⁰

Community-led housing has not been a major beneficiary of affordable housing requirements made with local councils under section 106 agreements. Indeed, as will be seen in the next section of the report, for some groups section 106 housing agreements that impose affordable-housing obligations in the form of social housing with strict allocation requirements can have (and be perceived to have) negative impacts on efforts to create mixed communities.

The future of section 106 agreements is unclear. In November 2014 sites involving less than 10 homes were exempted from section 106 provisions. While this decision has been thrown into doubt by a recent court case,¹⁰¹ the government has expressed a wish to move the section 106 requirements for developers towards market housing (under the flagship Starter Homes Initiative).¹⁰²

Other sources of funding

In addition to bank finance and grant, community-led organisations have gained access to a variety of philanthropic, charitable and other funds (including crowd-funding, social investment bonds and cross-subsidy by housing associations). In some cases support for community-led housing projects can take the form of donations of land.

While philanthropists can be reticent about public exposure (and there is no comprehensive data on their contribution to this sector), there are many well-known examples dating back

to Joseph Rowntree, Carnegie, Ebenezer Howard, Guinness, Octavia Hill, and George Peabody. More recent philanthropic investment has been focused on housing support services and specialist social housing, although there has been investment in some major social housing schemes (such as the Dolphin Square Foundation in Westminster, which was set up in 2005 with a large private capital endowment to provide housing for local people).

The extent to which philanthropy is compatible with community-led housing is far from clear-cut. Sometimes programme-related investments by charitable trusts can accept a real financial loss; in other cases social investors seek to receive back the funds they put in, but do not receive a financial return. Philanthropy also carries the risk of dominance of organisations by wealthy individuals. However, as Lord Best, chair of Hanover Housing Group, put it:

In the past – when the relative cost of housing was far less and the current scale of provision was unimaginable – philanthropists financed the nation's affordable housing. Today it is the role of government to ensure that funding for social housing is in place. But philanthropists can oil the wheels; they can make possible imaginative extras; they can enable the entrepreneurial housing provider to take the risk of doing something different; they can encourage even the largest social housing providers to break new ground and, indeed, put some of their own resources into doing things differently.¹⁰³

Community land trust pilot fund

The Community Land Trust pilot fund, operated by CAF Venturesome, invests to meet the pre-development and development fund costs of community land trusts. Just over £2 million in size, it is funded by four charitable investors: the Tudor Trust, the Esmée Fairburn Foundation, the Charities Aid Foundation and the Nationwide Foundation. The fund aims to build 150 affordable homes and, ultimately, demonstrate a model by which commercial funds might then support the future financing needs of the CLT sector. Here, there is no financial return. The foundations seek to receive back the funds they put into the CLT fund, but do not receive a financial return. Income generated by the CLT fund, in fees and interest charges to the community land trusts in which it invests, is modelled to cover costs and losses. In this case, at the end of the pilot, at best all the original funds lent to the CLT fund will be returned to the foundation supporters.

Source: Smith Institute, New Philanthropy Capital and Peabody *Rebuilding the Relationship between Affordable Housing and Philanthropy* (2013)

Another important source of funding for many community-led organisations is their own members' resources, in the form of savings and of the capacity to raise and service loans. The way in which this source interacts with others is important, although it should be noted that for obvious reasons it is not one where data on quantity, terms and the like can be systematically collected and appraised.

(vii) Community-led housing in the devolved nations

Whilst the policy context in England is far from positive for social or community-led housing, the situation is somewhat different in the devolved nations. Below is a brief review of developments in Wales, Scotland and Northern Ireland.

Wales

In Wales, the Welsh government has committed itself to the promotion of co-operative housing. Activity by the Welsh government has included funding for the Wales Co-operative Centre and publication of a guide to developing new co-operative and community-led homes published jointly with the Confederation of Co-operative Housing.¹⁰⁴

In 2012 the Welsh government initiated a project to develop new co-operative housing, of which the target is to have 500 homes in the pipeline by March 2016. The project is co-ordinated by the Wales Co-operative Centre and involves a series of "pioneer" schemes. By April 2015 it had identified 22 local authority areas as a focus for 28 projects; meanwhile nine separate schemes for development, refurbishment and/or renewal were already under way.

The Welsh government had committed £3 million to individual schemes by April 2015. This is composed of social housing grant at the intermediate level for Wales, which is 25 percent. These schemes normally involve partnership with existing housing associations, co-operatives or CLTs. Examples of this diverse range of projects include:

- *Home Farm Cooperative Housing, Cardiff*: 41 houses and flats to be developed for social rent due to be completed by July 2015;
- *Abbey Street, West Rhyl*: conversion and refurbishment of three-storey HMOs to provide potentially 23 homes;
- *Creative Living, Wenvoe, Vale of Glamorgan*: 12-14 homes for rent and ownership on a rural exception site;
- *Gellideg flats, Merthyr Tydfil*: four blocks of flats being refurbished to provide 24 homes within an equity co-operative; and
- *Gwynedd CLT*: 25 homes to be developed by this umbrella CLT.

It should be noted that the tenure of the new homes varies from full ownership to shared ownership, through rental to social renting. The structure of the organisations varies too, with co-operatives, CLTs and cohousing all represented.¹⁰⁵

The Welsh government has also committed itself to the development of community land trusts.¹⁰⁶

The above programme is more ambitious than any community-led housing initiative planned by government in England, given the relative sizes of the two countries. It does demonstrate that a modest disposal of social housing grant can, given appropriate levels of support and community engagement, produce

impressive results. It may be that England has something to learn here in terms of opportunities to achieve scale. According to the Confederation of Co-operative Housing:

*We are concerned that the potential lessons that could be learnt from the work being done in Wales are not being learnt in England.*¹⁰⁷

Scotland

Scotland has a well-established co-operative housing network, which includes around 40 co-operatives, making up around 5 percent of the co-operatives in the UK.¹⁰⁸ In addition, community-controlled housing associations manage significant numbers of affordable homes in Scotland, and those numbers have been enhanced in recent years by the transfer of homes into community ownership from the Glasgow Housing Association.

The Scottish government has been actively promoting community-led housing. Initiatives include introducing the community right to buy, which allows communities of fewer than 10,000 people to register an interest in land and to buy it when it comes up for sale. The Scottish government also provides funds to community-led groups for regeneration.¹⁰⁹ More recently the Community Empowerment (Scotland) Act 2015 has provided significantly enhanced consultation opportunities and rights for communities seeking to acquire and develop land.¹¹⁰ The Scottish government also publishes a self-build guide for Scotland, which has relevance for community-led initiatives.¹¹¹ Other sources of information and support include the Development Trusts Association Scotland¹¹² and the Glasgow & West of Scotland Forum of Housing Associations, which represents both co-operatives and community-controlled housing associations.¹¹³

Although operating within different legal, policy and organisational parameters, community-led housing in Scotland is alive and expanding. According to Locality:

There is evidence that the Scottish experience of community housing has led to measurable benefits based on a comparative study of outcomes between residents of community controlled housing and other tenure options...

– Gooding and Johnston (2015)¹¹⁴

Northern Ireland

The community-led sector appears to have received less attention from policy makers in Northern Ireland, perhaps because of the dominance of the Northern Ireland Housing Executive (NIHE) as a provider of social housing, the relatively small size of housing associations in Northern Ireland, and the complexities of community initiatives in a divided community. Nevertheless, with the likelihood that the NIHE will see its stock transferred and with the prospect of further financial austerity, there may be prospects for an expansion of the community-led housing sector going forward.¹¹⁵ It is perhaps worth noting that there is a healthy and well-established tradition of individual self-build in Northern Ireland.

Section 2: Where next – what does the sector think?

This section draws on more than 45 one-to-one telephone interviews and meetings with representatives, practitioners and experts from across the community-led housing sector. It also captures the experience and views of other stakeholders, including those from housing associations, local authorities, public agencies, lenders, advisers and community groups. (See annex two for details.)

The many different voices reflect a range of interests and concerns. The following analysis groups them under a list of headings, which relate to the policy context and general experiences described in section one. Where appropriate, the text includes direct quotes from the interviewees.

(i) Scaling up or scaling out?

Interviewees were asked their views on the opportunities and prospects for growing the community-led housing sector. In general there was a distinction and perceived tension between "scaling up" the sector (vertical expansion involving organisations expanding the scale of their activities and thus growing in size) and "scaling out" (horizontal expansion taking place because new groups are formed that develop, convert or renovate homes with the aim of creating a new community).

For many practitioners there was a discernible concern that excessive scaling up could involve the loss of some essential attributes of the sector, notably:

- its flexibility to meet specific needs and changing needs in specific ways (this may be in terms of design, management or different governance structures);
- its accountability to the community of which it is a part or which it forms; and
- its ability to remain a functioning participative community.

One of the self-help interviewees, for example, suggested that his organisation could scale up from the management of around 50 to 100 homes and remain essentially the same. However, if they were to manage 1,000 homes they would be a fundamentally different organisation. This view was echoed by other interviewees and at the round-table discussions.

[Community-led activity] must either achieve scale or explain why there is an alternative rationale.

– Stakeholder interviewee

For some, what is at stake is the very nature of a participatory, responsible community. One cohousing interviewee, for example, expressed the view that 40 households was probably the maximum that would work well as a community within a cohousing context.

Some local authorities that were consulted liked the fact that community-led housing groups were small-scale and viewed larger social housing providers, such as housing associations, as becoming too large and too commercially focused. The point was

made that some housing associations were perhaps in danger of losing touch with local communities and with their original social purpose – they were becoming "too commercially minded, and less social hearted".

The Building & Social Housing Foundation and scaling up

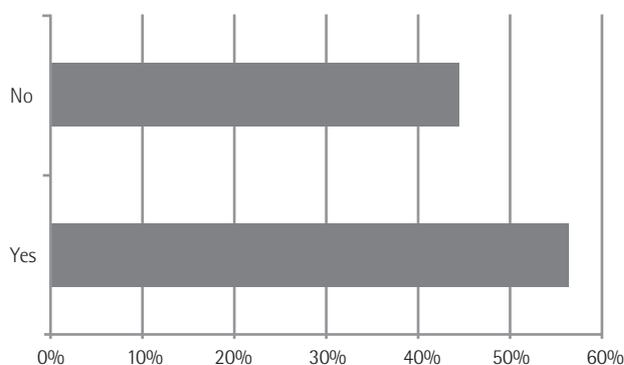
In its 2014 publication *Scaling-up Community Housing Solutions*, the Building & Social Housing Foundation draws several lessons from experience to date:

- the need to recognise the importance of the specific context of an initiative but being willing to transcend it by focusing on principles and taking a flexible approach;
- the importance of securing financial viability if projects are to grow and avoidance of reliance on a single source of funding;
- the importance of trial and error in moving towards a successful scaling-up mechanism;
- the need to disseminate and share information widely to facilitate knowledge transfer;
- the value of building effective partnership to grow influence and sustain momentum;
- how inspiring projects attract attention and foster community engagement (marketing is key); and
- why active pursuit of political and policy change needs to happen in parallel with achieving results – evidence of success is a great ally in achieving wider change.

Source: Building & Social Housing Foundation *Scaling Up Community Housing Solutions* (2014)

In our survey of self-help organisations, a majority of respondent groups claimed that they were considering developing new homes as well as undertaking further renovation work. This shift towards new development may be driven by a perceived lack of confidence about securing public funding.

Figure 1: Self-help groups' plans for new-build development
Responses to the question "Do you have plans to develop new homes as well as bring existing homes back into use?"



Source: Survey of self-help groups, August 2015

Whilst the majority of interviewees understood the argument

for expanding the sector and that each community-led housing organisations is different, they also recognised that there are potential limits on vertical as opposed to horizontal expansion. Various observers, however, have made it clear that scaling up should not be at the expense of the local and community focus.¹¹⁶

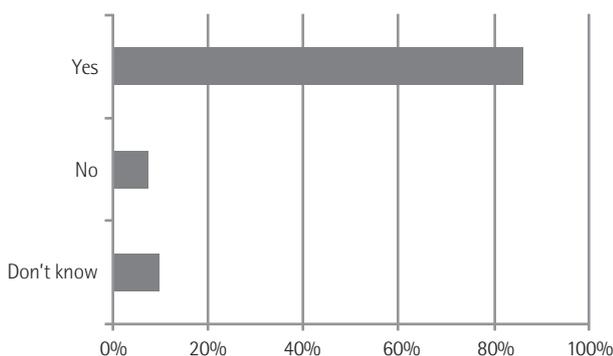
If the scaling of community-led housing was overstimulated by government, would it undermine the community element?

– CLT interviewee

Our survey of self-help organisations suggests that the vast majority of self-help groups see expansion as a priority. However, this may not be the case across the entire sector. Indeed, it is far from clear that scaling up or scaling out activity and development within the community-led sector will necessarily be a priority for all. At best it may be a second-order priority. For many smaller organisations, the prime focus will perhaps inevitably be on the needs of their particular group and its members and/or the community within which it is embedded. Strategic questions of housing need over a wider area, such as are taken up in a local authority strategic housing market assessment (SHMA) or local plan, may simply not be perceived as relevant to the future of some small, locally focused groups.

Figure 2: Self-help groups' plans for expansion

Responses to the question "Is expanding in the future a priority for your organisation?"



Source: Survey of self-help organisations, August 2015

(ii) Communication, motivation and volunteering

A widely held view of interviewees was that, if the sector is to expand, then new groups will have to form alongside established groups that are scaling up activity. For established groups, the issues are essentially practical and there is at least some experience to bring to bear. As one well-established self-help group interviewee put it, such groups are on a...

... well-trodden route since the late 1960s.

– Self-help group interviewee

However, for newly forming groups, sustaining the initial inspiration to act and keeping the energy and communication going were seen as important catalysts for action. All interviewees acknowledged that taking new projects forward was "hard graft" and that each path was different.

Groups come together for individual reasons – the sector is very disparate.

– Community-led housing expert

For one interviewee, the motivating factor that led to involvement with a community-led project was a concern about "rural sustainability", with one in three of the houses in their village now let as holiday homes. Another interviewee spoke of how their cohousing project had been initiated by the forward thinking of one local woman who had seen the potential of a particular historic building to form the focus for a community and who called others together.

The initial motivation and inspiration is clearly crucial. But discussion with interviewees and other stakeholders suggests that it can be community-oriented, as in the case of concern for rural sustainability, or more personal, such as the desire to live in a particular kind of community (a motivation often articulated by cohousing interviewees).

More personal types of motivation could exclude broader strategic considerations. For example, one cohousing interviewee from a nascent group was concerned that if planners forced the group to include a social housing component within their proposed development scheme, they would end up with community members who were there because they required social housing rather than out of any commitment to their community. Their response was to lobby for intermediate housing rather than social housing.

On the other hand, self-help interviewees tended to articulate the community benefits that came from using empty homes, and facilitating other aims such as offering employment and training in building-related skills, rather than more personal motivations.

The more personal type of motivation could on occasion cause tension with local authority planners:

For us, we have a policy which requires that every new property contributes to new affordable housing.

– Local authority interviewee

There was a perception among some local authority representatives that community-led groups often had no broader strategic engagement with the needs of their areas. While this perception is not necessarily accurate, it could colour attitudes and create a negative context for co-operation.

Whatever type of motivation is to the fore, it is clearly essential to bring other members in and convince key stakeholders. One lender gave this as an important reason for supporting new groups in the sector:

A lot more vibrancy... what some housing associations have lost along the way.

– Lender interviewee

Another community-led interviewee considered the key issue facing the movement to be...

... getting enough individuals willing to form groups and help them through the pre-development phase and onto the site.

– Cohousing interviewee

A senior member of a CLT referred to the importance of people having time to volunteer for community activity and expressed fears that the situation within local communities was less positive for establishing community-led groups than it might once have been.

Interviewees cited other factors, including:

- less well-pensioned individuals working for longer or no longer having the security to volunteer in retirement;
- more women going out to work; and
- greater mobility in and out of communities and more "weekenders".

Clearly, such factors will not apply to all communities in equal measure, if at all. However, they do act as a reminder that volunteering happens within a social and cultural context. It was also said by one interviewee that many people find the process exhausting and struggle sometimes to help each other.

People do not pass on knowledge because they are too exhausted.

– Support CLT interviewee

Often an important aspect of the role was giving confidence to volunteers in danger of being overwhelmed by the scale and complexity of the challenge:

Volunteers tend not to back out so long as there is an end in sight.

– Support CLT interviewee

The degree to which groups used volunteers to undertake some or all of the work of construction or renovation varied. At one extreme, CLTs that partnered with housing associations tended to rely on externally provided services, so that volunteers were active only at the level of overall management and governance. Other organisations used volunteers to a greater degree.

Self-help interviewees said volunteers were at the core of their social mission:

It is the nature of these self-build organisations; it is part of who we are.

– Self-help interviewee

For such organisations, volunteering means learning skills and gaining work experience. There was also a strong conviction that groups could "make a difference" by involving local people who faced disadvantage, such as ex-offenders, the long-term unemployed and people recovering from drug and alcohol addictions. It was often repeated that community-led housing projects contributed in this way to lowering rates of crime and antisocial behaviour, as would the regeneration of run-down communities through renovation, new development or the provision of other community facilities such as shops and pubs.

Fusions Jameen self-build co-operative

Fusions is a small self-build co-operative offering a range of homes for people in housing need and on low incomes. Self-build members benefit from a reduced rent in return for their time and labour. The founding members felt there was a need for a housing co-op run by, for, and servicing the needs of, local Afro-Caribbean people. To this end a commitment to living co-operatively became a key criterion for joining the scheme.

Source: Community Self Build Agency

We took on 23 apprentices and 18 are still in employment. They gain qualifications, volunteer opportunities and we employ more people.

– Self-help interviewee

Several interviewees mentioned burn-out as an issue. One suggested it was a reason why organisations did not keep expanding, although it was felt to be more of an issue where self-build was involved.

Few would wish to go through this experience (of volunteering) more than once.

– Cohousing interviewee

Concerns over volunteering add weight to the perception that, for groups where expansion means lifting a shovel rather than paying tradespeople, there may be natural limits to the growth of individual organisations. In community-led housing subsectors, such as cohousing and some self-help groups, horizontal expansion (the formation of new groups to pursue new projects) may frequently be the more appropriate option if volunteers are available.

(iii) Lack of awareness

It was in the context of gaining volunteers to start up organisations and to keep them active that interviewees from within the sector, as well as stakeholders, pointed to what was to emerge as the biggest barrier to growth – namely, the lack of public and stakeholder awareness of what community-led development is, what it can achieve and how it can operate.

Several community-led housing interviewees put this point forcefully:

We are seen as a small fringe and a bit weird.

It is still very much an interest of pioneers – not yet the new normal.

Housing associations identified the problem also:

Someone needs to articulate the benefits of this model.

There's a lack of sufficient public demand because there's no infrastructure and no visibility.

It's a confusing patchwork of community-led groups.

– Housing association interviewees

Local authorities identified a difficulty in assessing the demand (or potential demand) for community-led housing and explicitly referred to a lack of public awareness.

Roxborough Housing Co-op

The Roxborough Housing Co-op in Colchester, Essex, is a small, outlier housing co-operative of the neighbourhood housing association CHISEL. Formed in 1992, it was the first self-build scheme for the disabled in the country.

Annie Mayes, a member of the housing co-op, said that getting the co-op started was hard but that...

... for any project, whether large or small, the key must be communication, listening, compromise and patience and this leads to the important part, the ability to work as a team for the success of the ultimate goal, a lovely home, the ability to have input into the management of your home and pride in that achievement.

Source: CHISEL

There was also a strong sense that low levels of public awareness led to a lack of understanding of the potential of community-led activity, and that this in turn made it difficult to attract volunteers to begin or continue important work.

Yes, so many people do not understand us; council workers, banks, the public.

We are constantly having to explain ourselves.... People think we are a commune.

– Community-led housing interviewees

Although the Building & Social Housing Foundation and the representative bodies within the community-led sector have undertaken valuable work around public awareness, there is clearly more to be done. As Martin Field, BSHF Community-led Housing Alliance Programme (Participant), suggests:

There is a need for a substantial PR programme that can broadcast the benefits of community-led housing and its asset-management abilities to be an integral part of the wider manner in which local market demands and interests can be met.¹¹⁷

A key aspect of any communications would have to involve empowering members of community-led groups at a grass-roots level. Such empowerment might involve provision of pro forma materials that can be adapted for local use, local information and data on housing need and development, or training in handling the media.

(iv) Skills and expertise within the sector

Most of the umbrella groups, such as the National Custom & Self Build Association, the Community Self Build Agency, and

the National Community Land Trust Network, offer practical guides and advice, as well as running courses and workshops. The National CLT Network, for instance, provides its own toolkit for members.¹¹⁸ These services are the lifeblood of community-led housing.

Local enablers are seen as particularly important.¹¹⁹ As one cohousing exponent put it:

It costs £1,000 for an initial chat with an accountant – who can afford that!

– UK Cohousing Network website, 2015

CLTs spoke approvingly of the support they received from the CLT "umbrella network". It was said that the way established CLTs support new CLTs at the earliest stage and usually maintain their involvement through to completion of new homes and beyond was especially valued. Interviewees stressed that this not only provided continuity but also helped build up experience and expertise, which could then be transferred to new projects.

CLT representatives who support new CLTs emphasised the need for local flexibility and local pride:

We want to help create a product the community feels proud of.

You get something bespoke to the community or individuals concerned.

– Support CLT interviewees

Most CLTs were extremely positive about the help and support they had received from the umbrella network:

The HCA grant process was not overly complicated. They guided us through the process and the HCA came to look at the site. We did not have to wait too long for the result.

I can't praise him enough.

We had all the support we needed.

– CLT interviewees

The challenge for the umbrella CLT network is one of coverage and resource. In terms of coverage, only around 50 percent of the country is covered by this source of support. It is also clear that resources to maintain a support organisation can be limited. One support CLT was increasingly reliant on fees from clients, and these could be hard to collect.

Some interviewees were open to the suggestion that diversification towards the non-CLT community-led housing sector could offer a possible way forward both in terms of providing additional revenue for support CLTs and in providing a network of support for the community-led sector as a whole.

However, building up capacity and capability is far from easy. As has already been noted, access to professional advice and to decision-making networks can be an issue for groups or for some members of those groups.¹²⁰ The availability and quality of advice

and expertise also varies by place, and not all local authorities are sympathetic to the community-led housing agenda. The National Custom & Self Build Association is calling for local authorities to provide the necessary professional advice to groups and individuals.¹²¹ However, funding for such services may be hard to come by.

The role of intermediaries in facilitating local action carries a tension in terms of its possible impact on local initiative and autonomy, when contrasted with a "viral" approach to growth that stresses self-help.¹²² This is an issue that concerned some of the interviewees.

Community-led groups were, nevertheless, mainly concerned with the lack of support for the basics, such as legal input in relation to establishment of a group's structure, advice on business planning and formulating a project, architectural/design input, planning advice, and support materials.

Lyvennet Community Trust

Lyvennet Community Trust, in Cumbria, was formed in 2009 and was the first CLT in the country to become a registered provider of social housing. In 2012 the trust acquired a former industrial site to provide 10 affordable homes for rent, two shared-equity homes, and eight self-build with covenants restricting resale to local residents. The trust has been supported Crosby Ravensworth Parish Council, Eden District Council, the Community Land Trust Fund, the Tudor Trust, the Esmée Fairbairn Foundation and Venturesome, along with a £660,000 grant from the HCA and over £1 million in private finance from the Charity Bank.

With reference to this need for support in the form of information, one self-help interviewee ironically alluded to the inherent difficulty of knowing what it is that one doesn't know:

You do not know, do you!

– Self-help interviewee

He indicated that there was a tendency to soldier on and discover later that there was a better way of doing something, which other groups may already have been aware of. This was as much an issue of sharing/pooling of information as of gaining access to (professional) expertise.

One lender who is committed to the sector commented that while most small businesses could easily get hold of a pro forma business plan from their bank or other adviser, this was not true for community-led organisations, which have a distinct set of needs in terms of business planning. Legal information relevant to choosing the legal structure of a new group was also mentioned as an area where more support was needed, although the National CLT Network's legal toolkit does focus on this.¹²³

Overall, the need for support was seen as most evident in the early stages of a project; from formation of a group, through initial setting of objectives, to the planning stage. Specifically such support was seen as involving both materials and advice/professional expertise in a range of areas.

Deciding on the appropriate legal structure and governance arrangements from the alternatives available was mentioned frequently. Groups believed they required legal advice and frequently obtained it pro bono. They were grateful for this assistance, but believed that it was better to have dedicated advice.

People get conflicting advice – CLTs vs co-ops etc. Lots of groups give up.

– Stakeholder interviewee

For some we have to tell them what legal entity they need to be.

– Lender interviewee

It is interesting to note that while the most burdensome phase of any construction/renovation project is likely to be the physical implementation stage, interviewees rarely mentioned this phase. This may be because, in many cases, partners enlisted to provide support early in a project may still be involved and able to continue their support through implementation and beyond. Working with a partner housing association may be an example here. Alternatively, this may be an area where individuals within groups are prepared to undertake a steep learning curve, or perhaps have previous experience. It may be that where a developer or builder is involved, they may operate in this role.

Wyre Community Land Trust

The Wyre Community Land Trust, at Uncllys Farm in the heart of the Wyre Forest, was set up in 2007 by John Iles to enhance the biodiversity of the local area. Its team of volunteers currently manage around 140 hectares of orchards and meadows as well as a herd of Dexter cattle. The CLT is currently raising funds for new projects, including accommodation for craft and woodworkers.

Design and business planning were frequently referred to as areas where support was very valuable, particularly in the early stages (although the need could persist into the stage of managing the implementation of the project). CLTs that had partnered with a housing association believed themselves to be in a stronger position in this regard because of the ability to draw on the resources of the housing association. But even here, access to rigorous independent advice at an early stage was seen as important in ensuring that the CLT could have influence within the partnership.

It is all fluffy, woolly nonsense advice.

Yes, a serious issue. Therefore CLT umbrellas are important.

– Stakeholder interviewees

Access to focused, independent advice can ultimately depend on access to the funding to procure it, unless pro bono advice proves adequate – as is by no means always the case.

In relation to initial business planning, the absence of suitable pro forma materials was noted. However, groups believe that advice and support from experienced professionals is vital.

Bristol Community Land Trust

The award-winning Bristol Community Land Trust seeks to open up opportunities for acquiring and developing land for its members and strives to promote the cause of self-organised housing across the Bristol city region. Launched in 2011, the trust aims to nurture and support locally focused community land trusts whilst leading by example through the development of environmentally sustainable, affordable housing and community-based amenities. Its first housing project provides future residents with an opportunity to complete works to their own homes through a "self-finish" model, allowing them to save up to £5,000 in costs.

Another lender committed to the sector commented that they frequently had to assist with business planning.

Organisations tend to be inexperienced and do not have all the skills you might expect.

– Lender interviewee

Lenders committed to the sector were also committed to helping borrowers as much as possible. Many said they did assist with business planning. They saw this as part of their role in supporting the sector. However, it was mentioned that there may sometimes be a conflict of interest if lenders are also advising on detailed business plans.

We have to spend time supporting and suggesting; "a friendly approach".

Major lenders are not geared up for this.

– Lender interviewee

A lender has a definite interest in securing the best deal for shareholders or members in terms of the rate of lending and other terms and conditions, which may have a bearing on the legal structure and objectives of the organisation. This may not always be compatible with providing truly objective advice in areas that are directly or indirectly the subject of negotiation between a lender and a potential client.

Groups with the resources to pay lawyers, architects, funding advisers and project managers do not normally have a problem. However, the lack of capacity and capabilities was cited as an issue for many groups during the early stages of their existence. Nevertheless, it was said that the problems tend to ease once land has been identified and planning permission has been granted, partly as secured funding then becomes a possibility:

It depends on the land. If you have not got the land you have got no security.

– Cohousing interviewee

(v) Skills and expertise lent by local authorities

The need for materials including "toolkits" and other support that groups could make use of, particularly at an early stage in their project planning, was noted widely by local authority

interviewees. One local authority interviewee responded specifically on this point:

Give them a toolkit and put it on a plate for them.

– Local authority interviewee

This local authority was also very aware that, unfortunately, financial constraints now place a question mark over its ability to meet potential demand for this service. Local authorities generally were also mindful of the need for a dedicated person who could help small groups through a complex process, but were also at pains to point out that their budgets were stretched. Assisting small groups requiring "hand holding" could not have the same level of priority it might once have done.

In some cases, local authorities believed that their priorities for promoting new development were set by central government in ways that favoured projects likely to produce the largest numbers of homes for the minimum input. This did not permit devoting what could be considered disproportionate time and resources towards assisting small groups building small numbers of homes and requiring far more support proportionately than would a private developer or housing association. The task of providing support was not always seen as convivial, in any case:

Lack of professionalism. They do not trust us; they think we are the evil council. They do not trust anyone.

– Local authority interviewee

There is an expectations gap. The majority want to do it in affluent areas and are unrealistic about land prices and cost.

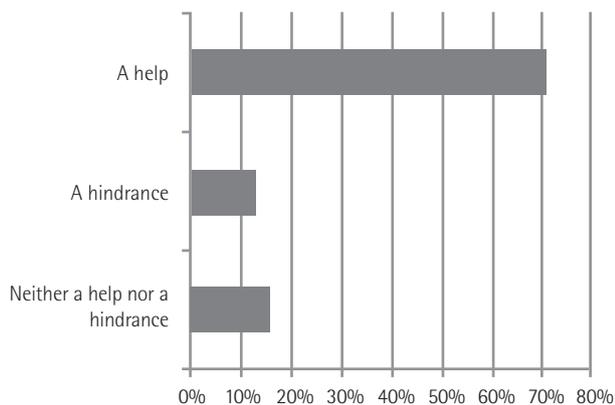
– Local authority interviewee

Community Campus '87

Community Campus '87 got its name from being set up in the 1980s with the aim of tackling youth homelessness in Teesside, through providing housing with support. Its approach, which involves seeing the problem of homelessness as not being solved through housing alone, used homeless young people to refurbish empty homes. This was part of the key skills project developed in Middlesbrough in the 1990s. This momentum has recently led the organisation to open new offices in Hartlepool.

On occasions, lack of awareness on both sides of the other's needs, limitations and priorities could lead to misunderstanding and frustration. Some community-led interviewees were sceptical about the competence and commitment of local authorities in relation to community-led activity, while local authorities sometimes saw community-led groups as pushing an individual agenda and oblivious of broader issues of strategic housing need and the responsibility to promote the maximum levels of development to alleviate chronic undersupply of new housing. Yet there was goodwill on both sides. Our survey of self-help groups suggests that a large majority of such groups do consider local authorities to be a help rather than a hindrance. While this may not be high praise, it is at least broadly positive.

Figure 3: Self-help groups' attitudes to the local authority
Responses to the question "Has the local authority been a help or a hindrance?"



Source: Survey of self-help groups, August 2015

On the local authority side, the interviewee responses demonstrated real commitment and understanding of the role of community-led organisations among a high proportion of those interviewed. However, it would be unrealistic to believe that the financial pressures on local authorities are likely to ease over the medium term. If additional resources are needed, whether in the form of toolkits or personal support, the sector as a whole is likely to have to look elsewhere.

(vi) Skills and expertise lent by housing associations

The practice of CLTs partnering with a sympathetic housing association in order to undertake development has already been noted. Community-led housing interviewees were divided about the merits of partnership with housing associations. Some, notably CLTs, but also members of co-operatives, were positive about the role that housing associations could play. They saw partnering as a way of gaining access to the development expertise of a housing association while maintaining sufficient independence to fulfil their community role. These groups also recognised that partnering with a housing association could provide access to HCA grant, without the need to become a registered provider (seen by some as a difficult path). The housing association would also liaise with major lenders to facilitate funding for schemes. One interviewee summed up the positive view:

We teamed up with a housing association. It worked very well.
– CLT interviewee

One local authority interviewee summed up their positive experience of housing associations assisting community-led groups to further new development:

Yes, housing associations can help. They embrace our community-led approach. They set up groups and hand-hold them through the process.

– Local authority interviewee

Other community-led interviewees were less positive. They tended to see risks in partnering. These risks were focused around

losing their autonomy and the ability to create a specific type of community in a specific location. This perception appeared, in part, to be related to concerns about being tied too closely to the development of conventional social rented housing and being subject to the strictures of section 106 agreements. Housing associations did not see risks in their involvement but may in some cases have conflated "community-led" with "community land trust" because these were the groups with which they had had most acquaintance.

Interviewees from both community-led housing groups and housing associations pointed to successful partnerships. Several interviewees from the CLT umbrella network, for example, stressed the importance of working with housing associations, although one commented that finding associations willing to partner could be a problem.

When asked if the relationship with community-led groups was positive, the majority of housing associations replied in the affirmative:

Complementary; there is plenty to go round.

– Housing association interviewee

Partnering with a housing association has clearly worked well for significant numbers of CLTs. It eases the issues of obtaining secured funding and allows the detail of grant negotiations to be handled by the housing association. CLT interviewees who had travelled this route were positive about it:

We had all the support we needed.

– CLT interviewees

Housing associations that had partnered with CLTs were positive about the experience, although it was noted that tensions could arise. One housing association interviewee commented that community-led groups had proved ready to take grant but were not always willing to accept the local allocation requirements that this implied. There was sometimes an attitude of:

It is our house so we choose who lives there.

– Housing association interviewee

Nevertheless, the scope for such partnering may be more limited in the future. Housing associations are becoming larger and are more "commercially minded" than they were even a decade ago and many are having to adapt to a low-grant environment for new development in which financial gearing is higher and market risks are greater. Housing associations, like community-led housing groups, are also dealing with the impact of welfare reforms.

Housing associations are now commercial organisations... not out of the goodness of their hearts.

Housing associations should be charities not just little developers.

– Local authority interviewees

In circumstances where housing associations are having to focus

even harder on financial viability and core activity, it is likely that desirable but non-essential activities such as supporting community-led development will assume a lower priority.

The trend away from community focus was confirmed by several housing association interviewees themselves, sometimes in forthright terms:

As housing associations have become more commercial, they have lost the in-house expertise to work with community groups.

We would only do something if it stacks up for us; it has got to be viable in commercial terms.

I think a lot of rubbish is talked about the housing association community-led role.

– Housing association interviewees

Some housing associations have clearly had a positive and long-standing relationship with the community-led sector. This can take the form of negotiation of planning, funding and project management issues as well as direct support for outlier community-led housing organisations. Indeed, there are plenty of medium-sized and smaller housing associations for which community-based development and assistance are likely to remain important in spite of increased financial constraints.

We have a responsibility to the communities we support, but it is not our role to go round sorting out market failure.

– Housing association interviewees

Nevertheless, the larger housing associations with development programmes are almost certain to find themselves under increased financial pressure and facing new risks to their viability, and this is likely to affect their willingness to embrace community-led development.

(vii) Planning

Local authority interviewees were asked whether they consulted community-led groups in developing their strategic housing market analysis (SHMA) and local plan and whether they had much response from those groups.

The majority of local authorities did not specifically consult the community-led sector:

Not specifically.

We have not yet, but we will do.

– Local authority interviewees

Local authorities were keen to stress that all sections of the community were free to respond to consultations in connection with the SHMA or local plan. In addition, some SHMAs were now quite old and due soon to be updated, which would provide opportunities for community-led groups. Local authorities were generally unclear as to the level of response they received from

community-led groups, although one local authority interviewee commented:

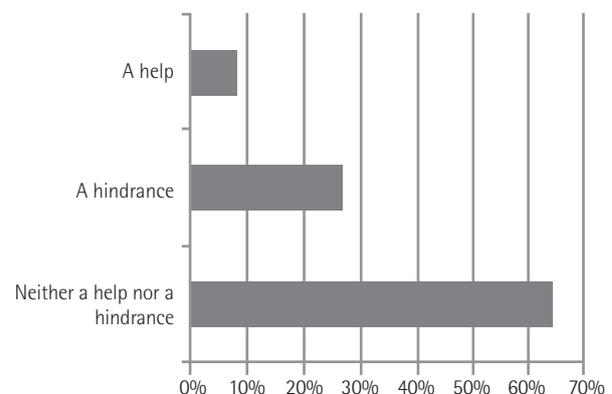
We get higher levels of participation in the middle-class areas, where land values are higher.

– Local authority interviewee

This may cohere with comments from other local authorities that community-led groups tended to be made up of “aspirational” households and wanted to develop in “affluent areas”. However, it was also said that the need for affordable homes was sometimes strongest in more affluent areas.

The National CLT Network noted that many local authorities do not recognise community-led groups (including CLTs) as a delivery mechanism for affordable housing. One contributory factor here may well be the National Planning Policy Framework, which does not make a clear link between the provision of affordable housing and the potential of community-led groups as a delivery mechanism, although many of the aims of community-led activity (such as the protection of local services) are included.¹²⁴ It was suggested that there might be a case for drawing together an explicit section in the planning framework on community-led development and affordable housing.

Figure 4: Self-help groups' attitudes to the planning system
Responses to the question “Has the planning system been a help or hindrance?”



Source: Survey of self-help groups, August 2015

Local authorities were asked whether they considered the planning system to help or hinder community-led development. The answers spanned a spectrum of views:

Our planning system helps if it is appreciated in the right way, which is a challenge for community groups... They are often well-intentioned amateurs.

It is quite intimidating.... It hinders any form of small development organisation.

– Local authority interviewees

The survey of self-help groups conducted as part of this research showed that around a third thought the planning system more of a hindrance than a help. Some 12 percent said it

was helpful and just over a third considered it neither a help nor a hindrance. These results may be partly explained by the fact that self-help groups are generally more focused on renovation than on new development. As such, they have less experience in dealing with the complexities of planning applications for new development.

Overall, the majority view among local authority interviewees was that the planning system did not hinder community-led development but safeguarded communities against inappropriate development. In some cases, local authorities believed that community-led groups were ill informed about the aims and process of planning as well as being sometimes naive in their expectations.

I do not think it hinders... It depends on the philosophy of the council, e.g. our exception sites.

We cannot give this CLT more properties because there is no proper business plan and we do not understand their constitution and they do not trust anyone else or each other.

– Local authority interviewees

It was said by some local authorities that the system could be a hindrance to community-led housing groups. One commented that planning applications tended to revolve around large sites, where community groups were likely to find it difficult to compete with developers. Others pointed to the need for considerable expertise and experience, which was always likely to put community-led housing groups at some disadvantage.

Wessex Community Land Trust project

The Wessex CLT project was established in 2010 with the purpose of helping communities build affordable housing and establish CLTs. An initiative hosted by Wessex Community Assets (itself a part of the Wessex Reinvestment Trust), it has 24 affordable housing programmes and hopes to build 240 affordable homes by 2018.

Interviewees from housing associations expressed similar views to those from local authorities. They believed that the planning system (and procurement process) could work against community-led groups but did not necessarily do so. Interestingly, the groups themselves were overall more positive about the planning system than local authorities or housing associations, commenting on their behalf. It was speculated that this could be because community-led housing groups have lower expectations in relation to planning outcomes.

It is not the most important issue.

No one has raised planning as an issue.

My experience was that the planning experience was a positive experience on our journey.

– Community-led interviewees

This is not to suggest that the community-led interviewees believed the planning system to be without flaws. One commented

that it tended to favour developers because local authorities would look to them first. Another commented that the system was more concerned with how things looked than whether homes were suitable to live in. A cohousing interviewee suggested that planners did not always understand the different requirements of cohousing communities in relation to matters such as parking spaces and the balance between private space and communal areas. Others referred to the time and cost of working towards a successful planning application.

Planning: not a problem; you get housing associations to sort it out.

The pre-application process comes at a cost, which could be a hindrance to a small organisation.

– Local authority interviewees

As the above comments suggest, those with the support of a housing association believed that they fared better than those confronting the planning system without such support.

(viii) Section 106 agreements

Local authority interviewees were asked whether they believed that section 106 agreements offered anything useful for community-led development. Most were equivocal. Some believed that in principle small plots could (where appropriate) be designated for community-led development. Two local authorities suggested that commuted sums (sums levied on developers in lieu of meeting planning obligations) could be a source of funds to assist community-led housing groups (and one had used commuted sums to help buy sites that could be of interest to community groups).

East London CLT

The award-winning St Clements hospital site near Mile End tube station is being developed by East London CLT in partnership with Galliford Try (Linden Homes). It is a mixed-tenure scheme with 252 units, of which 51 are social rented homes that will be managed by Peabody and 23 are shared-ownership homes developed by East London CLT. The price of the CLT units will be set at half the median income in Tower Hamlets. The overall cost will be calculated on the basis of a standard 25-year mortgage at an average interest of 5.5 percent with a 10 percent deposit. The housing will remain affordable in perpetuity. Membership of the CLT is open to anyone who lives or works in the area or has strong active ties to a social institution there. Just £1 buys a share in the not-for-profit company.

Community-led groups were also equivocal about section 106 agreements, although for different reasons. Some believed that community-led groups could deliver affordable homes designated under section 106 agreements. One interviewee named as an example of this the East London CLT and its St Clements hospital site development in London. Others were more concerned that section 106 requirements could be burdensome on their own developments or might limit their freedom to develop the type of homes they believed they

needed and in some cases to choose the type of residents they wanted rather than accepting local authority nominations.

This raises issues about the potential tensions between wishing to create a specific type of community and wider strategic considerations of housing need and infrastructure. Tension is probably inevitable between, on the one hand, planners concerned to maximise affordable development numbers and maintain "standards" and, on the other hand, communities whose aim is to build a viable community rather than maximise numbers. However, it was said that mutual understanding of the specific needs of communities and of the pressures on local authorities to achieve affordable development could ease such tensions.

(ix) Neighbourhood planning and the community right to build

Although community right-to-build (CRTB) orders are technically a tool of neighbourhood planning, interviewees were asked about them as separate provisions in order to gain a more nuanced response.

Local authorities were asked to what extent neighbourhood planning was a force promoting community-led development in their areas. Most had not noticed or were sceptical. Indeed, only one local authority had a positive experience to recount.

Overall, local authorities considered neighbourhood planning to be a cumbersome, "tortuous and resource-heavy" process. It was said that there were easier ways to obtain planning consent, such as use of rural exception sites.

No... [Neighbourhood planning] promotes activity but not community development.

Our policies are so positive you do not need a neighbourhood plan.

Too early to say. The groups have only just been set up with our help.

– Local authority interviewees

There was also a suspicion that neighbourhood plans were being considered by some local groups as a way of preventing rather than promoting development.

It is crap; it is just a nonsense and distressingly annoying... The people who are using it are nimby groups who do not want development.

– Local authority interviewee

Housing association interviewees were no more positive; neighbourhood planning was seen as irrelevant or as a means to focus opposition to development.

Community-led housing groups were divided on neighbourhood planning. Some said they could energise communities and gave positive examples. Locality commented that initially there

was disinterest and sometimes opposition, but noted a recent change:

We have seen that communities, when given the power to say where housing should go and what it should look like, are keen to embrace development... The sector needs to engage fully with the neighbourhood plan process to identify opportunities to take forward and deliver housing and community-led development.¹²⁵

However, other interviewees stated that they were a force to oppose development or knew nothing about them.

West Whitlawburn Housing Co-operative

Formed in 1989 by the West Whitlawburn council estate's tenants, who were frustrated with the estate's poor quality and maintenance, West Whitlawburn Housing Co-operative now has 644 houses under its management. Having received £50 million in grants, the co-operative has built 100 new terraced houses, renovated six multi-storey blocks of flats, improved the local community centre and installed CCTV on the estate.

As has already been noted, there has been little activity around community right-to-build orders. Nearly all interviewees were unaware of or hostile to the CRTB. One group did suggest that it could have potential if it was used in conjunction with neighbourhood planning and pointed to one example of this being tried. However, the sentiment among practitioners is that the CRTB is not fit for purpose. This has been endorsed by the communities and local government select committee in its recent report on CRTB.¹²⁶

They [community-led groups] have one community right-to-build order but the rest are seeking conventional planning permission.

– Stakeholder interviewee

(x) Custom-build

Community-led housing group interviewees were naturally interested in measures to release more land, such as the requirements in the Self-Build and Custom Housebuilding Act 2015. It was said by one social housing expert that the act could provide a valuable opportunity to monitor demand for community-led development and to inform local authorities of the land needs of the sector.

However, awareness of the act among group members and local authorities was limited:

I am aware of it but don't know the organisations that have piloted it.

Just a ministerial whim.

– Local authority interviewees

The local authority that had been involved had not actually provided any sites to date but was planning to do so. However,

it had doubts about demand, since the land it owned (such as garage sites) was often not the land in which self-builders would be interested. Rather than sell the land with planning permission, the local authority was going to ask its planners to "comment positively" about it.

One local authority said that sites they controlled would probably not be considered attractive enough to interest community-led groups anyway. Another local authority (not part of the right-to-build pilot) had four shovel-ready plots awaiting use. It would have liked to do more but could not obtain funding.

Two local authorities raised the question as to whether local authorities directly providing land was the most appropriate way to make land available:

Not sure we are the best people to do this; developers should do this via section 106.

We may ask developers to leave one or two serviced plots to use for other developments at the end of the job.

– Local authority interviewees

A local authority interviewee suggested that developers should be required to make plots available as part of a planning agreement. Another commented that while a register is valuable in establishing demand, it does not of itself help satisfy that demand. The Self-Build and Custom Housebuilding Act 2015 clearly does provide some opportunities for community-led groups. However, there appears to be a need for advice and guidance for local authorities on what type of sites to provide and under what terms.

(xi) The right to buy

CLT interviewees were particularly concerned about the extension of the right to buy and the extent to which the sector might fall within the government's plans. One CLT interviewee summed up the views of a number of others:

Right to buy is a big issue – these homes have been given community support because they believed that they would be affordable in perpetuity and they are built on a rural exception site. Why would anyone do this again?

– CLT interviewee

Another CLT interviewee intimated that their project, currently at planning stage, would not go ahead if the extension of the right to buy applied to CLTs. The fact that affordability in perpetuity was undermined was seen as the main issue here. Communities could be prepared to accept affordable housing development if it was going to be genuinely affordable permanently for that community. However, if it could be sold off within three years there would be little incentive to support it in the first place. Similarly, in rural areas local landowners could sometimes be prevailed upon to offer land at below market rates. Interviewees were concerned that they would be far less likely to do this if the tenants could buy the homes at a large discount

and ultimately resell them on the open market. One self-help group interviewee indicated that his organisation was considering becoming a registered provider but that this had become less likely as a result of the right-to-buy extension, in combination with the required 1 percent annual reduction in social rents (required over four years under the Housing and Planning Bill).

It is now clear that, under the National Housing Federation agreement with the government, most community-led development will be exempt from the right to buy. Although this removes the direct threat to permanently affordable housing provision by communities, the preceding uncertainty has probably undermined the sector's confidence in government.

(xii) Funding issues

Funding was seen as generally important, although only a minority of interviewees (outside the self-help subsector) saw it as the key issue. For those who did, it was often access to government-sponsored funding, whether grant or loans, that was seen as most important.

When the will and a viable product are there, funding can usually be found.

– Stakeholder interviewee

Another mentioned three-year government grant programmes. However, those who saw funding as the key issue were keen to stress the importance of having the "right proposition" in place in the first instance:

Money is less important. If the scheme is viable and the team is credible, money can be found.

– Stakeholder interviewee

To some extent, assessments of the relative importance of funding as an issue will be subsector specific. For instance, 58 percent of self-help groups surveyed saw the lack of capital grant as the biggest barrier to future expansion. However, this is likely to be largely due to the current uncertainty over the future of the EHCGP. Nevertheless, a high proportion also saw the lack of seed-corn funding as significant.

Gioscope

Gioscope, founded in Hull in 1985 by a group of unemployed people and students, began as a direct-action response to the housing situation of the founders. Beginning in earnest in 1986 as a workers' co-operative, Gioscope is now a charity providing 84 homes, often refurbished from being vacant with help from volunteers and ex-offenders. Other assets include a community bakery. Recently, Gioscope has purchased a disused workshop and yard to begin a second social enterprise. The charity has links with the local council and has benefited from the Empty Homes programme.

Even if the sector did not see funding as the biggest issue, most community-led interviewees and the majority of housing

association and local authority interviewees believed that the funding situation could be improved. One cohousing interviewee suggested that government might intervene directly to provide loan funding for development.

Access to a decent mortgage or other funding [long-term cheap government loans].

– Cohousing interviewee

However, in the light of the recent spending review, extra funding looks distinctly unlikely in the medium term.¹²⁷

Interviewees were at pains to point out that the community-led sector is funded from a wide range of diverse sources. CLTs had benefited from land that had been sold at below market price by local landowners with a commitment to affordable housing in their community. Others spoke of charitable funding and philanthropy. Nevertheless, in practice discussions tended to focus on secured lending at the implementation stage, with or without HCA or other capital grant, and the desirability of grant assistance at seed-corn stage (although the actual funding obtained at this stage was very diverse in origin).

Three lenders were mentioned consistently in the interviews: Ecology Building Society, Charity Bank, and Triodos Bank. Other funders were mentioned in despatches; one interviewee, for example, had borrowed from a lender in Sweden.

The attitude of interviewees was generally very positive to the "committed" lenders. This is illustrated by the survey of self-help groups. All those surveyed agreed that these lenders were keen to lend, although a significant minority (40 percent) did not agree that such lenders always had appropriate products to meet their funding needs. This view was not endorsed by the "committed" lenders themselves, who considered that they were more able to respond appropriately than the mainstream specialised lenders for affordable housing or high-street lenders:

We are smaller, so lending in small volumes is less of an issue. Also we have experience of what works and what does not.

– Lender interviewee

Community groups tended to be sceptical of high-street lenders. They doubted the understanding of these lenders as to how they operated or even what the sector did. Lack of awareness was clearly an issue here. One community-led interviewee, for instance, felt that their projects were often too big to be adequately dealt with via high-street small-business lending and yet too small to attract interest from the specialised lending teams attached to the big banks that service the affordable housing sector.

What do lenders think?

As part of the research for this report, eight of the lenders to the affordable housing sector were consulted about their stance in relation to the community-led sector.¹²⁸ Some of these large lenders had in fact lent for community-led projects. However, there was little appetite to expand such lending. The main reasons given were:

- The size of individual loans was very small compared with what was typical for the mainstream affordable sector.
- The range of types of project was wide, so there was much more appraisal work required in relation to these small loans.
- Often, what was requested was seen as fitting the pattern of small-business lending rather than the large-scale medium- or long-term secured lending to regulated entities that characterises the affordable housing sector.
- The sector requires too much "hand holding", and this is difficult to justify in terms of the scale of business it could bring.

These lenders were not unsympathetic to the aims of the sector but they were not seeking opportunities within it. It was clear that the sector would have to offer larger-scale and more standardised lending opportunities if these lenders were to be seriously interested in gaining exposure. Community-led organisations that are indirectly securing funding via a housing association partner are of course in a stronger position here.

In contrast, the "committed" lenders were keen to develop new business in the sector, in part because of sympathy with its aims:

It is a sector we are actively trying to develop.

Community-led housing tends towards sustainable and energy-efficient design.

– Lender interviewees

These lender interviewees saw community-led housing as a modest but significant part of their lending portfolio. One lender estimated it as around 5 percent of total lending. All were keen to strengthen their relationship to the sector in spite of comments that a high percentage of potential lending projects never got off the ground, and that those that did could have very long lead times, during which much input was required from the lender. These lenders were conscious of the time spent on early-stage clients but did not resent it.

The small size of the typical community-led loan was not seen as a problem by these lenders. When asked specifically if small loans constituted a problem, one lender replied:

It does not. We lend from £50,000 upwards.

– Lender interviewee

These lenders were also prepared to entertain lending to groups that could be structured and governed in a variety of ways; the key criteria were that effective decision-making was possible and that the model allowed for stability and could support a viable lending proposition.

The lenders encountered difficulties with the sector. Business plans were not always thought through, for example, and one lender commented that lack of stress-testing of plans was a real issue. There was a preference to lend on homes for rent, because it avoided the risk of exposure on home-ownership products

that could prove unmortgageable. Nevertheless, all the lenders interviewed did lend for building of home-ownership products.

It may be that service, commitment and flexibility come at a price. One community-led interviewee did not feel that the committed sector always gave as cheap lending as the mainstream lenders. Another had gone abroad for cheaper funding and maintained two bankers in order to foster some competition.

Another issue that arose concerned the capacity of existing committed lenders to service a major upturn in development/renovation by the community-led sector. Interviewed lenders referred to the limits placed on their potential exposure to the sector by prudential lending requirements, which are overseen by the regulator. One lender was, in practice, limited to an exposure of 5 percent of the lending book. Another stated that their total loan portfolio was limited. This raises a central question about whether there is in fact sufficient capacity among existing lenders to cope with any sudden growth in the sector.

The lack of retail mortgage finance is an emerging issue for the sector. As mentioned, mortgage lenders continue to have reservations about community-led housing. In light of the government's housing plans, many may seek to consolidate their lending in conventional market housing.

Seed-corn funding

Seed-corn funding (mostly through government grants) remains a key issue for the sector, especially for the pre-development stage and initial planning of a project, when revenue as opposed to capital grants are of great importance. As several interviewees commented, the ability to borrow funds is severely constrained if groups have not successfully identified land that can be used as security.

The big issue is being able to get hold of grant. Most of the grants presuppose you have land.

– CLT interviewee

It depends on the land. If you have not got the land, you have got no security.

– Cohousing interviewee

Local authorities also appreciated the importance of having the resources to put together a viable plan. While some saw this issue as best resolved by the provision of advice and support, others also recognised the need for seed-corn funding.

Interestingly, awareness of the existence of grants for seed-corn funding was low among interviewees. This included community-led housing groups, housing associations and local authorities. No interviewee from these groups specifically mentioned either the community buildings pre-feasibility grant or the community buildings project support grant offered by the DCLG and now administered by Locality. The relatively small size of these grants could be one factor in explaining the limited recognition.

Empty Homes Community Grants Programme

As already mentioned, the EHCGP is one of the more successful government initiatives in this area. As one participant commented:

The great thing about Empty Homes... it was not only refurbishing properties and putting them back into use but also meeting other agenda of the council, such as youth homelessness which is huge and rising, and also creating a stronger and better community. So all in all it was a bit of a win-win situation.

– Project champion, Start Again, Birmingham¹²⁹

Self-help interviewees (and respondents to the survey – see below) saw the termination of the EHCGP as one of the most important issues facing their sector. Many in the sector saw the EHCGP as a major opportunity for expansion, which had been effectively exploited.

The lack of capital grant is perhaps the most important barrier to expansion.

– Self-help housing expert

In general, interviewees were also pleased with the way the programme had been administered by Tribal.¹³⁰

Tribal did a brilliant job.

– Self-help interviewee

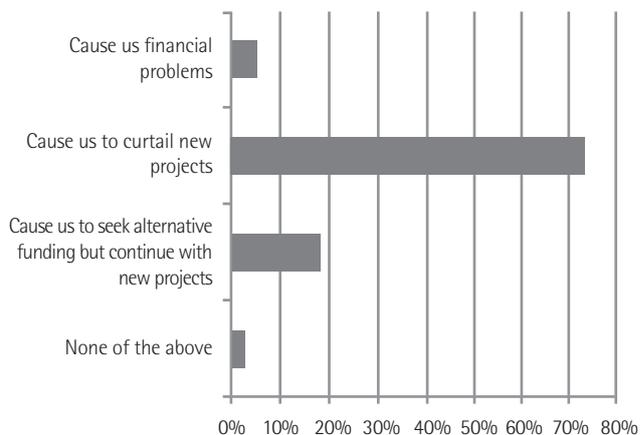
Several interviewees mentioned how they had raised additional secured bank finance on the back of the EHCGP (a point highlighted in the previous section). In one case a group was using the additional properties purchased under the EHCGP programme as security for borrowing to expand further. In another case, a group was considering moving into new development and possibly even registering as a registered provider.

We match-funded the EHCGP... secured lending.

– Self-help interviewee

Figure 5: Self-help groups' concerns about changes in Empty Homes funding

Responses to the question "If EHCGP funding is not renewed, what will be the impact on your organisation?"



Source: Survey of self-help groups, August 2015

However, interviewees did not envisage that the financial viability of their organisation would be directly prejudiced by abolition of the programme. They did, nevertheless, indicate that they might have to take difficult decisions if the programme were to

be phased out or abolished (in one case concerning staff who had been recruited on the back of EHCGP funding). Some groups also said that without the programme they would need to review their plans for further expansion.

At the very least, closure of the EHCGP suggests a loss of momentum with a consequential loss of skills and experience.

(xiii) Funding not the biggest barrier

Funding in general is not seen as the biggest barrier to expansion or the most important issue, either by those within the community-led sector or by the stakeholders surrounding it. There is a perception that viable, well-planned schemes will gain funding. That may be true to varying degrees, although it leaves an unanswered question about how schemes attract funding to ensure that they are viable and well planned.

Most groups appear to gain the bulk of their secured funding from a small group of "committed lenders", and this works reasonably well with the sector at its present size. However, if the sector expands there may be issues about the financial capacity of this group to service its funding requirements within prudential borrowing limits.

Some of the feedback also suggests that funding for the formation of new groups prior to the planning application stage may also be more problematic in the future.

In addition, there is a case for investigating whether community-led housing groups are obtaining the keenest rates for funding and whether a wider spectrum of lenders might create additional competition. In this context it may be worth examining whether the principle of aggregation might be usefully applied to the sector.

Granby Four Streets community land trust

Granby is one of the most ethnically diverse areas in Liverpool and also one of its most deprived; a state of affairs that became worse throughout the 1980s, particularly with the Toxteth riots in 1981. Large-scale demolitions that had been planned for Granby were cancelled in 2011 by new Coalition government, leading to the opportunity to renovate some of the early 20th-century houses in the area. In 2014, the CLT managed to bring the council on board and has £1 million in grant and loan finance to carry out work on 10 houses.

(xiv) Benchmarking

Benchmarking is well established for both local authorities and housing associations. For housing associations, a range of organisations including Housemark, Acuity and the National Housing Federation offer benchmarking services covering most aspects of performance, from resident satisfaction to the impact of welfare reform.¹³¹

Some CLTs and co-operatives that are registered providers are familiar with benchmarking services, especially those

that partner with housing associations. However, it should be noted that this is essentially benchmarking in relation to the mainstream affordable housing sector. It is not benchmarking of the community-led housing sector in relation to its own specific priorities, standards and performance. As Locality emphasises in its research on community-led housing:

*The problem for many small community housing providers is that they are established to provide extensive community benefit rather than just housing, and the current limited silo process of measuring value for money fails to recognise and value the other extended community benefits that are realised.*¹³²

CORE benchmarking

The CORE database, which undertakes continuous recording of all lettings and sales by registered social housing providers in England, provides access to data in unrivalled detail, making comparison possible across the spectrum of social rent and intermediate housing activity. Comparisons can be made about rent levels, voids and re-letting times, shared-ownership sales prices and numbers sold in different areas. For those with an interest in benchmarking, this is a unique source that is sadly underused. However, what makes CORE possible is standardisation within the sector. Housing associations and local authorities are closely regulated and operate within legal frameworks that tend to foster similarity. There is also a strong regulatory (and legal) framework governing social rents and intermediate sales.

Is the community-led housing sector a candidate for conventional benchmarking? The sector has certain values in common (such as community involvement, a commitment to locality and bottom-up initiatives), but there are also strong differences between the subsectors. As one commentator put it:

It's a diverse and fractious sector.

– Stakeholder interviewee

In fact, the individual approaches within subsectors are prized as evidence of the flexibility and adaptability that spring from having a community focus. This characteristic of the sector might make it difficult to benchmark the different activities without some form of standardisation and common legal and organisational structures.

The prospect of conventional benchmarking attracted little interest among interviewees. Some were unsure what it was, others were sceptical that it could or should be applied:

The models are so different that it might be difficult to find meaningful measures.

– Stakeholder interviewee

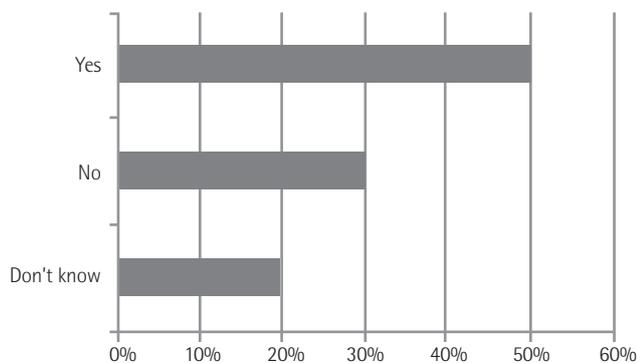
Standardisation is not possible. It would be damaging to try.

– Co-operative interviewee

That standardisation is an issue for the sector is confirmed by the survey of self-help groups.

Figure 6: Self-help groups' views on whether expansion might compromise the sector's core values

Responses to the question "Do you think there is a trade-off between expanding the supply of homes and meeting the core purposes and values of self-help housing (for example, more standardisation of legal structures and tenancies in order to promote larger-scale funding by mainstream lenders)?"



These conclusions were confirmed at a round-table discussion convened by the Smith Institute to explore the potential of benchmarking for the sector. Although there was an interest in the benefits of performance measurement, there was general scepticism about the use of conventional benchmarking to measure performance across the community-led sector.

Brixton Green

Brixton Green was set up in 2008 by local residents as a non-profit community benefit society, to put Brixton people at the forefront of the redevelopment of Somerleyton Road. More than 1,200 local people (who either live or work in Brixton) have become members. Since 2013, the group has been in a partnership with Lambeth Council and the Ovalhouse Theatre to develop, deliver and sustain the Somerleyton Road scheme.

The brief for the development was formulated by the community. It includes a housing co-operative for some 300 affordable rented homes in a new, mixed-income community (as well as a theatre, a chef school, flexible community space to include children's centre services, and offices and retail units). A planning application was submitted in September 2015. The council, which owns the majority of the land, will act as client for the construction, and will fund the majority of the development. A new community organisation will acquire a long lease to run the site holistically for the long-term benefit of the community. Income from the rents will pay the lease rent back to the council, which will use those payments to pay back the council's initial investment over around 50 years.

It was said at the round table that there were risks that comparison between organisations would prejudice flexibility and adaptability in terms of both aims and methods. However, there was a consensus view that the pooling of experience that underlies benchmarking could make an important contribution:

[C]omparisons with "open market" performance metrics will not be completely appropriate until the resources exist for community-led activity to co-exist on equal terms with current

mainstream activities.

– Martin Field, BSHF Community-led Housing Alliance Programme (Participant)

Community-led groups have to consider a range of matters that will determine the shape and success of a project. This involves resolving key issues about purpose, resources, timescale and outcomes, including how those outcomes should be measured. Where consultation with a community is taken seriously, such consideration will often be detailed and protracted.

This process does not involve benchmarking, but it does involve asking the right questions. This can perhaps be facilitated by drawing on wider experience of what are the right questions to ask – looking more for "indicators" rather than "benchmarks".¹³³ Indicative questions developed on a sector-wide basis could be of particular assistance to newly formed groups or to groups embarking on new projects. The list of issues that could be covered is wide but could include, for example:

- the type of organisational structure that will best ensure accountability and efficiency in achieving objectives within a particular community context;
- the most appropriate development model for a specific community development opportunity; and
- the most appropriate way to monitor progress against objectives and costs against outcomes.

Community benefit criteria

The HCA's criteria for funding community-led housing organisations under the 2011-15 Affordable Homes Programme include consideration of the following questions:

- How clear is the group regarding its definition of the community it aims to serve and the beneficiaries of the project (geographically or in terms of a community of interest)?
- What are the intended community benefits of the project and how do they meet local requirements?
- How is the project going to work in the general interest of all the individuals and organisations that form the community?
- Is the community clear about the project and benefits and how were these decisions arrived at?
- Was the whole community given the opportunity to be involved, and how?
- How were conflicts or differing views managed in this process (between individual and community benefits, for example)?
- What feedback has been provided on any decisions, and to whom?
- Are benefits going to be provided and protected for the long term or in perpetuity through a CLT, co-operative management model or other body, and how will financial surpluses and profits be used to deliver future benefit for the community?
- If they will not, has this been made clear and how has community agreement been reached? What are the timescales and deadlines for any handover of responsibilities?

Source: HCA Community-led Development: Eligibility Criteria (2011)

Overall, full, conventional benchmarking, as currently applied to the housing association sector, has relevance to some groups, including CLTs and co-operatives. However, it is probably not applicable to the sector as a whole (and in any case, widespread support for

its implementation is unlikely). However, the use of indicators to enable individual groups to measure their own performance, and how much influence they have had on how local housing provisions are organised, well may have real value to add.

Section 3: Conclusion and recommendations

England is a country with well-attested unmet housing need. In many areas people can no longer afford to rent or buy. In most places there is little housing choice. According to Savills, the estate agent, the problem is getting worse. Its research suggests that on current trends around 350,000 households in England will not be able to afford to buy or rent houses at market rate by 2020.

A big part of the answer lies in building more homes – in particular, more homes tailored to what local communities want and can afford. On paper this setting seems ideal for expansion of the community-led housing sector, which prides itself on offering affordable homes for local residents.

Although still very small in scale compared with many other EU countries, community-led housing has been growing steadily in the UK and is becoming more popular. It has grown to cater for many different markets – from mixed-tenure developments to award-winning housing projects for young and older people. Furthermore, the sector in its different forms (albeit dominated by the comparatively well-established co-operative housing) has begun to attract the attention of other social housing providers and new social investors – not least because of the additional community benefits they offer.

But should the sector grow at a faster pace, and seek to move at speed from the margins to the mainstream? Is there in fact enough demand over the medium-to-long term and a strong enough appetite within the sector for expansion? Given the fast-changing (and rather hostile) policy and public funding landscape as well as other barriers to growth, is scaling up the right strategy? Or should the sector perhaps seek to consolidate, move with caution and scale out rather than up?

There is no single answer to any of these questions, and the responses will vary from group to group and place to place. Community-led housing models and groups are by their nature local and disparate. As the evidence presented in this report shows, the sector and the four subsectors within it are diverse and have different histories and ambitions.

The sector nevertheless recognises the need to raise public and stakeholder awareness and secure better access to start-up funding and expertise. However, as the feedback from the interviews shows, many of the support agencies and partner organisations, such as local authorities, are struggling themselves. The commitment to the sector by local partners may remain, but continued support cannot be guaranteed. This is likely to mean greater self-reliance and more of a postcode lottery in regard to support from local councils and housing associations.

Funding is always a challenge, although interestingly it is not considered by all groups to be the most serious issue facing the sector. The notable exceptions are the self-help groups, which consider that a positive response from government to their requests for a replacement for EHCGP funding is extremely

important. As the report highlights, many groups did not simply use EHCGP grant to rehabilitate empty homes. They levered in additional funds for wider community benefit – something that marks the sector out from mainstream development.

There are also signs that community-led housing groups may not always get the seed-corn funding they need or the best rates from lenders. These could be major obstacles to scaling up development. Currently there appears to be reasonable access to secured lending for implementation of worked-up projects with land identified. However, there is feedback that funding for the formation of new groups and for project development (seed-corn funding) is a problem. Analysis of what is available suggests that it is likely to become even more of an issue. The current levels of grant funding administered by Locality are useful but inadequate. This is an area that should be addressed, because improving the availability of seed-corn funding will almost certainly increase the rate of formation of new groups and improve the success rate of community-led projects.

Unlike volume house-builders, community-led groups tend not to see planning as a hindrance to their activities. Nevertheless, there are various ways in which the planning system could serve their needs better. In particular, local authorities could do more to assist newly formed groups in negotiating the planning process. There is a case for further consideration of the potential for section 106 agreements to promote community-led development. The Self-Build and Custom Housebuilding Act 2015 could also provide a valuable opportunity to monitor demand for community-led development and to inform local authorities of the land needs of the sector.

Funding and planning are of course shaped by the political and broader policy context within which all housing providers must work. At present housing policy is focused firmly on promoting home ownership (particularly for first-time buyers). Arguably, this (combined with continued fiscal austerity) is less sympathetic to community-led housing initiatives than in the past.

Given the changing political and policy environment, the sector will be mindful of the need to safeguard what it has achieved and to ensure that hard-won progress is not undermined. This may mean concentrating more on existing projects and protecting vulnerable members, rather than seeking to develop new schemes. As already mentioned, the lack of capacity and capability are already pressing concerns, and prospects are unlikely to improve without increased funding and support from key partners (such as the HCA and local government, themselves cash-strapped).

Whilst the majority of community-led housing groups would accept that public funding and support will be reduced, there is also a greater willingness, if not necessity, among some groups to put a higher priority on developing strategies that do not rely on enhanced financial or other support from government. This is not to say that the sector believes it no longer needs public

funding, but that the focus for the time being might be on upgrading the skills and resources of the sector itself (perhaps with the support of local enterprise partnerships).

The call from some quarters is for a greater reliance on private or charitable funding, especially for new developments. This could mark a sea change and perhaps bring the sector more in line with CLTs in the USA. However, there are concerns that private finance or even social finance is often unsustainable and unsuited. Sentiment in the sector is not averse to the potential for alternative sources of funding, but there are worries that from a crude commercial standpoint many of the new schemes may not stack up. Indeed, funding new social housing developments is proving extremely difficult for large housing associations, let alone for small community-led housing groups.

Retail mortgage lenders continue to have reservations about home-ownership offers that aim to secure affordability in perpetuity with local preference by means that can undermine the value of their security. This is not a major concern at the moment, but could if development for home ownership or intermediate housing is scaled up. It will be particularly important in this respect to ensure that restrictions on resale are reasonably standard across the sector and are compatible with lender requirements. There may be opportunities for working with others that have an interest in securing affordability and raising mortgage finance, including those seeking to promote residential development in rural areas such as national park authorities.

Within the community-led sector, expansion will probably involve scaling out and creating new groups at least as much as the scaling up of existing organisations. This is based on the strong opposition within the sector to top-down solutions and simply transferring solutions from the mainstream housing sector. The community-led housing movement is proud of its diversity, and activists prefer to speak of flexibility and local aspirations and of preferences, rather than catch-all policy ideas.

In these circumstances, there is clearly a much greater need to gain the allegiance of existing communities to the concept of community-led housing activity. However, local people (and councillors) are often unaware (rather than antithetical) and need convincing of the achievements, as well as the merits, of community-led housing. Furthermore, the lack of public awareness places limits on the potential to recruit volunteers and puts pressure on those already actively involved, which in turn reduces the capacity for expansion.

However, the mood across the sector is far from negative. The energy and passion that emanate from the different groups shone through the interviews and discussions conducted for this report. The overarching feeling was that the sector is resilient and adaptable and will remain an established force within the broader housing market. Personal commitment is a major factor, although this also imposes its own limitations; burn-out and fatigue are always risks in an environment where personal engagement is necessarily intense.

The values that characterise community-led housing matter a great deal and will continue to guide the sector. However, acceptance of these core community values also implies that this is not a sector that believes in growth measured in crude numbers of new homes. Community-led housing groups focus on new developments because they meet the needs of a particular place and offer wider community benefits, not because they comply with national or local housing targets.

The sector faces a difficult operating environment; one where securing quality homes in sustainable places might prove harder to achieve against competition from conventional developers and house builders. With public and government support (as exists in some countries of Europe) it can grow, but expansion is likely to be organic.

The risk, of course, is that the potential for growth may not be recognised, let alone realised. However, while none of the individuals interviewed or consulted for this research believed that community-led housing would ever be the main provider of homes, they all had a firm perception that it could and should operate on a larger scale. This is not just an argument about increasing new housing supply, important though that is. For many in the sector it is critically about the promotion of community values, community living, respect for local preference, and together creating something worthwhile and different.

Recommendations

The recommendations below span the full breadth of issues covered in the body of this report, from communications, to planning, skills training, public relations and funding. The focus is on how the community-led housing movement can be realistically encouraged and supported. There is no single method of developing community-led housing, and the recommendations are intended to be read therefore as a menu for options and suggestions, rather than as a prescriptive list.

Recommendation 1: Community-led housing groups should set up a country-wide network offering local support (which is not attached to any specific model of delivery) to emerging groups. Such a network could help improve and develop services, such as guidance, peer-to-peer support and mentoring. It could also develop a sector-wide communications and PR strategy aimed at the public and key stakeholders.

Recommendation 2: The sector, in partnership with local authorities and other stakeholders, should press the case for dedicated, long-term HCA/GLA funding to support new community-led housing schemes. A new funding settlement should include support for new mechanisms, such as government guarantee schemes, low-interest loan funding and fit-for-purpose seed-corn grants and funding packages.

Recommendation 3: Consideration should be given to exceptions for community-led housing groups to the recently announced redeployment of social housing grant

for shared ownership rather than sub-market rent.

Recommendation 4: The government should reinstate the grant funding used by community-led housing groups to bring empty homes back into use.

Recommendation 5: The sector should investigate alternative ways in which seed-corn funding might be accessed. Potential sources might include the philanthropy sector and charitable institutions.

Recommendation 6: The sector should work more closely with the retail mortgage industry to try to standardise restrictions on resale and make them compatible with lender requirements.

Recommendation 7: The sector should work with local authorities on how to make planning more accessible to community-led groups, bearing in mind their more limited access to support and resources.

Recommendation 8: The government should include explicit guidance on the role of community-led housing groups

in securing affordable housing and community services (including to housing associations and local government) in a revised National Planning Policy Framework.

Recommendation 9: The sector should work with local authorities to identify the circumstances in which section 106 agreements may offer opportunities for community-led initiatives. The results of this work should be communicated to local planners and to community-led housing groups.

Recommendation 10: The government should review the neighbourhood planning process, with a view to simplifying the process and promoting community-led housing groups as affordable-housing providers.

Recommendation 11: Guidance to local authorities under the Self-Build and Custom Housebuilding Act 2015 should give more attention to community-led housing.

Recommendation 12: The UK government should learn from the successes of community-led housing activity funded by the Welsh Government and co-ordinated by the Wales Cooperative Centre.

End notes

- 1 There is no equivalent, for example, of the CORE database of social rented lettings and intermediate sales or of the annual statistical data return of local authority and housing association affordable housing stock.
- 2 Thanks are due to the National Community Land Trust Network, the Confederation of Co-operative Housing, the UK Cohousing Network and self-help-housing.org for compiling the new data.
- 3 2009 is the latest year for which numbers are available for co-operative housing.
- 4 Moore, T *Affordable Homes for Local Communities: The Effects and Prospects of Community Land Trusts in England* (University of St Andrews, 2014)
- 5 National CLT Network *CLT Legal Toolkit* (2015)
- 6 Moore, T and Mullins, D *Scaling-up or Going Viral? Comparing Community Land Trust and Self-help Housing Facilitation* (Third Sector Research Centre, 2013)
- 7 Moore, op cit (2014)
- 8 Ibid; National CLT Network *Our Homes, Our Communities* (2015)
- 9 This is where the buyer is offered an equity loan by the seller CLT to top up their mortgage loan.
- 10 Thanks are due to the National CLT Network for gathering and making available the above data on CLT stock and proposed development.
- 11 By a CLT interviewee
- 12 National Community Land Trust Network (USA) website, 2015 (<http://cltnetwork.org/>)
- 13 Community-Wealth.org website, 2015 (<http://community-wealth.org/>)
- 14 Crabtree, L et al *Community Land Trusts and Indigenous Housing Outcomes* (Australian Housing & Urban Research Institute, 2012); Crabtree, L et al *Community Land Trusts and Indigenous Communities: From Strategies to Outcomes* (Australian Housing & Urban Research Institute, 2015)
- 15 Bliss, N and Lambert, B *New Co-operative and Community-led Homes* (Confederation of Co-operative Housing, 2014)
- 16 Commission on Co-operative & Mutual Housing *Bringing Democracy Home* (2009)
- 17 Cohousing and CLTs are sometimes included within this definition since they may exhibit co-operative characteristics. They are dealt with separately in this report.
- 18 Mutual home ownership involves acquisition of land via section 106 agreements, purchase or some other means, which is then held by a CLT or similar organisation until acquired by a mutual home ownership society (MHS). Having built homes on the site, the MHS then leases occupancy rights in the form of equity units to individual households while retaining the freehold. Residents occupy their individual home and hold units of equity, which are sold back to the MHS when a resident leaves. The MHS can thus ensure that new residents can purchase occupancy rights at a cost that is affordable, relative to the local housing market and to the means of the new resident. The communal facilities and services are democratically managed via the MHS (CDS Cooperatives "What Is Mutual Homeownership?" 2015).
- 19 Lambert, B *Financing Co-operative and Mutual Housing* (Confederation of Co-operative Housing, 2011)
- 20 It is believed that the levels of such development are currently very low. According to the Confederation of Co-operative Housing, this is in part because of the introduction of the affordable rent model in 2011.
- 21 Bliss & Lambert, op cit
- 22 UK Cohousing Network website, 2015 (<http://www.cohousing.org.uk/>)
- 23 Where members of a community have equity shares in the properties rather than each member owning an individual property
- 24 UK Cohousing Network website, 2015 (<http://www.cohousing.org.uk/>)
- 25 Heywood, A *Working Together, Thinking Alike* (Smith Institute, 2015)
- 26 The £14 million fund, operated by the HCA outside London and the GLA inside London, operated from 2011 to 2015. See for details: DCLG/HCA *Community Led Project Support Funding: Community Right to Build Route – Application Guidance* (July 2013)
- 27 Chatterton, P *Towards an Agenda for Low-carbon Cities: The Lessons From LILAC, the UK's First Ecological Affordable Cohousing Community* (University of Leeds, 2013)
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- 29 self-help-housing.org "How Much Empty Property Exists?" (2015)
- 30 Mullins, D "The Potential for Community-led Housing: Recent Developments in England", presentation (University of New South Wales, 2014)
- 31 Much of the information about self-help organisations has been kindly supplied by Jon Fitzmaurice of self-help-housing.org
- 32 HACT *Community-led Housing* (2014)
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- 34 National Custom & Self Build Association *Planning for Custom Build Housing, A Practice Guide* (2012)
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- 41 DCLG *Public Attitudes to New House Building: Findings from the 2013 British Social Attitudes Survey* (2013)
- 42 See: Lupton, M and McRoberts, D *Smaller Housing Associations – Capacity to Develop New Homes* (Joseph Rowntree Foundation, 2014)

- 43 Moore & Mullins, op cit
- 44 Moore, T and McKee, K *The Big Society, Localism and Housing Policy: An ESRC Seminar Series – Briefing 2: Localism and New Housing Futures* (ESRC, 2014)
- 45 DCLG *2010 to 2015 Government Policy: House Building* (2015)
- 46 DCLG *2010 to 2015 Government Policy: Localism* (2015); in September 2014 the government announced that 11 local planning authorities would pilot the community right to build.
- 47 DCLG *2010 to 2015 Government Policy: House Building* (2015)
- 48 According to Locality, around 1,600 communities take part in neighbourhood planning, with neighbourhood planning areas covering 15 percent of the population in England.
- 49 Turley, A and Wilson, J *Localism in London: The Implications for Planning and Regeneration in the Capital* (Future of London, 2012)
- 50 www.parliament.uk *Community Right to Build* (2015)
- 51 Capital funding is also channelled through the HCA's Affordable Homes Programme for investment, which means smaller groups usually have to partner with a housing association.
- 52 www.parliament.uk *Community Right to Build* (2015)
- 53 Stevens, J *Community-led Housing for Older People and the Community Right to Build* (Housing Learning & Improvement Network, 2013)
- 54 Lang, R and Mullins, D *Bringing Real Localism into Practice through Co-operative Housing Governance: The Role and Prospects for Community-led Housing in England* (University of Birmingham, 2015)
- 55 A pilot project is under way involving 22 local authorities, which keep a live register of those interested in self-build or custom-build and provide shovel-ready plots.
- 56 Lyons, M *The Lyons Housing Review* (Labour Party, 2014)
- 57 National CLT Network *Our Homes, Our Communities* (2015)
- 58 National Custom & Self Build Association website, 2015 (<http://www.nacsba.org.uk/>)
- 59 Cadywould, C and O'Leary, D *Community Builders* (Demos, 2015)
- 60 DCLG *National Planning Policy Framework* (2012)
- 61 Rural exception sites are currently defined as "small sites used for affordable housing in perpetuity where sites would not normally be used for housing". Starter homes can be sold on at their full price after five years.
- 62 See: DEFRA white paper *Towards a One Nation Economy: A 10-point Plan for Boosting Productivity in Rural Areas* (2015)
- 63 www.parliament.uk *Bill Documents – Housing and Planning Bill 2015-16* (2015)
- 64 Cumbria Rural Housing Trust website (<http://www.crht.org.uk/>)
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- 69 Heywood, A *A Tale of Two Sectors: Preliminary Findings* (Moat, 2015)
- 70 According to the IFS, local government spending fell by 20 percent in real terms between 2009/10 and 2014/15. Local Government Association analysis predicts that councils will see funding for local services reduced by a further 11 percent in 2017/18 and 4 percent in 2018/19, before increasing by 7 percent in 2019/20.
- 71 Heywood, A *A Tale of Two Sectors: Preliminary Findings* (Moat, 2015)
- 72 Williams, C "Warning over Rural Starter Home Plan" in *Inside Housing*, 24 August 2015
- 73 HM Treasury *Spending Review and Autumn Statement 2015* (2015)
- 74 This was an important motivation behind the National Housing Federation offer to voluntarily extend the right to buy (see Wilson & Bate, op cit).
- 75 Office for National Statistics *Classification of "Private Registered Providers" of Social Housing (Including Registered Housing Associations) in England*, classification announcement (October 2015)
- 76 Number kindly supplied by the Confederation of Co-operative Housing
- 77 Cadywould and O'Leary, op cit
- 78 Building & Social Housing Foundation *Supporting Self-help Housing* (2011)
- 79 Evidence to the Smith Institute
- 80 Bliss & Lambert, op cit
- 81 National Custom & Self Build Association website, 2015 (<http://www.nacsba.org.uk/>)
- 82 The Confederation of Co-operative Housing estimates that £2 billion in assets exists within the existing housing co-operative sector and that there is appetite to use these assets in the development of new homes (evidence to Lyons Review, 2014).
- 83 HCA *Quarterly Survey of Private Registered Providers 2014/15 Quarter 1* (2014)
- 84 Building & Social Housing Foundation *Scaling Up Community Housing Solutions* (2014)
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- 87 The Co-operative Housing Finance Society recommended the issuing of tradable co-operative housing investment bonds, although it stated "this approach would only be possible if co-operative and mutual housing development funding requirements were pooled and if there is a significant scale in the development of co-operative and mutual housing".
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- 89 Commission on Co-operative & Mutual Housing/ Confederation of Co-operative Housing *Building Co-operative and Mutual Homes* (2010)
- 90 Heywood, A *Investing in Social Housing* (The Housing Finance Corporation, 2013)
- 91 Moneyfacts *What Is a Shared Ownership Mortgage?* (2015)
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- transactions in the UK in 2015, of which around 800,000 will be mortgaged (Pannel, B "When Building More Homes Isn't Enough", opinion article on Council of Mortgage Lenders website, 3 September 2015)
- 93 According to the Building & Social Housing Foundation in its 2014 publication *Scaling Up Community Housing Solutions*, the process of applying for grant is "arduous".
- 94 National CLT Network *Our Homes, Our Communities* (2015)
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- 96 DCLG *2010 to 2015 Government Policy: House Building* (2015). There were 206,000 long-term vacant homes in England in 2014, compared with 327,000 in 2008.
- 97 See: Mullins, D and Sacranie, H with Carnegie, A, Gregory, J, Joseph, R, Riseborough, M and Webb, D *THE BEST THING: An Overview of Research on Impact of Empty Homes Community Grants Programme* (Housing & Communities Research Group, University of Birmingham, 2015)
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- 101 Paine, D "DCLG Loses High Court Battle over Section 106 Exemptions" in *Local Government Chronicle*, 4 August 2015
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- 107 Evidence to the Smith Institute
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- 109 Scottish Government *Community Right to Buy in Scotland* (2013); Scottish Government "Boost to Community-led Regeneration Projects", news article on 1 April 2014
- 110 legislation.gov.uk *Community Empowerment (Scotland) Act 2015* (2015)
- 111 Scottish Government *Self Build Guide for Scotland* (2011)
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- 117 Evidence to the Smith Institute
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- 119 Moore, op cit (2014)
- 120 Campbell, P *Community-led Regeneration: A Review of Literature* (Scottish Government, 2011)
- 121 National Custom & Self Build Association website, 2015 (<http://www.nacsba.org.uk/>)
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- 123 National CLT Network *CLT Legal Toolkit* (2015)
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- 125 Locality evidence to the Smith Institute
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- 127 HM Treasury Spending Review and Autumn Statement 2015 (2015)
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- 129 See: Mullins, D and Sacranie, H with Carnegie, A, Gregory, J, Joseph, R, Riseborough, M and Webb, D *THE BEST THING: An Overview of Research on Impact of Empty Homes Community Grants Programme* (Housing & Communities Research Group, University of Birmingham, 2015)
- 130 Respondents in the survey for this research scored Tribal four out of five for effectiveness.
- 131 Housemark *Business Intelligence* (2015). According to the Local Government Benchmarking Framework website: "Benchmarking is an improvement process that helps organisations understand how they perform in comparison to other relevant organisations. To work well it needs to be a systematic and rigorous process designed to help organisations learn together. Benchmarking uses specific 'indicators' to measure how organisations are performing, for example, how much a service costs per user. These provide a simple metric which can then be compared across organisations and year-on-year."
- 132 See: Gooding and Johnston, op cit

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