



FOUNDATIONS FOR COMMUNITY-LED HOUSING

ABOUT FUTURE OF LONDON

Future of London helps build better cities through knowledge, networks and leadership – across disciplines, organisations and sectors. We are the capital's independent network for regeneration, housing, infrastructure and economic development practitioners, with 4,000+ professionals using FoL as a hub for sector intelligence, connection and professional development, and a mandate to prepare the next wave of cross-sector city leaders.



PROJECT TEAM

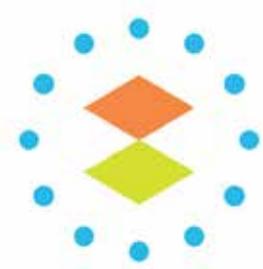
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Thanks to:



Community Led Housing London is a hub providing training, technical support and grants for groups and delivery partners. The accompanying London Community Housing Fund has £38m available to help unlock 500 community-led homes by 2023. The hub works with community groups, boroughs, developers, housing associations and funders to boost delivery in the capital.



igloo Community Builders provides development management services to communities in order to empower and deliver locally led development. They believe that when communities lead the development of their area, social value is maximised in thriving vibrant urban neighbourhoods.



Pollard Thomas Edwards specialises in the creation of new neighbourhoods and the revitalisation of old ones. Their projects embrace the whole spectrum of residential development and other essential ingredients which make our cities, towns and villages into thriving and sustainable places.



Commonweal Housing is an action learning charity working to investigate, test and share housing solutions to social injustice.

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Image courtesy Poplar HARCA.

INTRODUCTION

Over the past decade, community-led housing has risen from relative obscurity to gain attention and growing support from a diverse range of citizens, government and the built environment community.

What's fuelling this interest is clear. First, London needs more affordable homes. To tackle chronic undersupply, councils have re-entered the market and traditional housebuilders are working to accelerate development. But big developers are set up to deliver big schemes and 25% of the sites identified for London's future housing are under 0.25 hectares.¹ Bringing smaller builders back into the mix is critical to delivering homes in these smaller spaces.

For now, the buzz is about additionality and small sites, but many community-led housing groups have ambitions of scale and the opportunities of community-led housing as part of larger schemes are underused.

Second, many Londoners want a more meaningful role in delivering housing. Research from Grosvenor found just 2% of the public trust developers and only 7% trust local authorities when it comes to large-scale development.²

All levels of government recognise the value of community-led approaches in delivering homes and integrated social value outcomes on complex or contentious sites. The Ministry of Housing, Communities and Local Government, working with Homes England and the GLA, has identified a potential pipeline of around 16,700 community-led homes across England.

In London, community-led housing efforts have access to a £38m funding pot to support delivery; a hub providing technical expertise to groups and authorities; and land is being made available to SME builders. Despite this, projects often falter due to misaligned priorities of groups and landowners and a lack of local authority confidence or sector capacity to support the CLH approach through to delivery.

To help overcome these barriers, Future of London led a major action learning programme throughout 2019, bringing its membership together with community groups to build relationships and support the Mayor's ambition of 500 starts on new community-led homes by 2023.

The project brought together more than 250 people from the public, private and third sectors through interactive workshops and seminars. Their expertise and experience, combined with desk-based research and interviews, forms the basis of this report. It includes:

- An overview of community-led housing in London and how it is being delivered, covering best practice in partnerships and planning, access to land and funding
- Case studies showing effective ways of delivering projects
- Recommendations for policymakers, CLH groups and built environment practitioners
- Signposting to additional resources.

Future of London is grateful to core partners Community Led Housing London, igloo Community Builders and Pollard Thomas Edwards for financial and content contributions and to partners Legal & General and the Bartlett Real Estate Institute for their expertise and support with events.

2. COMMUNITY-LED HOUSING...

WHAT IS IT?

There is no statutory definition of community-led housing (CLH) and it can take a variety of forms. It is the process of meaningful community engagement and consent, rather than the built output, that sets community-led housing apart. CLH sector bodies (see p.11.) have adopted these defining principles:

- Meaningful community engagement and consent occurs throughout the development process. Communities do not necessarily have to initiate the conversation, or build homes themselves, though many do.
- There is a presumption that the community group or organisation will take a long-term formal role in the ownership, stewardship or management of the homes.
- The benefits to the local area and/or specified community are clearly defined and legally protected in perpetuity.

These criteria form the definition in the new London Plan, the London Housing Strategy and the basis of eligibility criteria for bids to the London Community Housing Fund.³

So long as it follows these principles, CLH can produce a host of different housing types and tenures. It can be homes for families, working people or older people; blocks for multiple occupation; sheltered housing; housing for rent, owner-occupation, shared ownership; and anything in between or beyond. It can be delivered through different routes, from self-build through to working in partnership with a housing association or developer.

TYPES OF COMMUNITY-LED HOUSING

There are four main types of community-led housing: cohousing, Community Land Trusts (CLTs), co-operatives and self-help housing. Increasingly, projects are blending multiple approaches. Part of CLH's appeal is its ability to draw on the attractive features of a range of models to meet the specific housing needs of an area through a "pick and mix" approach.⁴

Cohousing

Cohousing communities are organised to foster mutual support, drawing on the skills and resource of residents to contribute to life in the scheme. In most schemes, each household is self-contained, but residents come together to manage communal areas and share decision-making through a legally defined arrangement.⁵

See *Older Women's Cohousing*, page 9

Community Land Trusts (CLTs)

CLTs are legal entities set up to develop and manage homes and protect assets of community value including affordable homes, workspace and green space. CLTs use legal structures such as covenants to provide long-term affordable housing, often by linking prices to local income or setting prices at a proportion of market rate.⁶

See *RUSS* page 19 and *London CLT*, page 20

There are now more than 260⁷ CLTs in England, with movements growing in Scotland, Belgium, France, Italy and Australia.

Co-operative and mutual housing

In housing co-operatives, homes are managed and/or owned by members of the co-op. Residents are required or encouraged to become members and participate in management and decision-making. Co-operatives are similar to cohousing in focusing on mutual support, cohesion and communal activities.⁸

See Mace Co-op,
page 23 and Zurich,
page 28

In many countries co-operatives form an important part of the housing mix. They represent 17% of the housing stock in each Poland, the Czech Republic and Sweden, and 15% in Norway.⁹ Co-ops only make up a small percentage of the UK's total housing mix, but 70,000¹⁰ people nationally are co-op members. There are more than 300¹¹ co-operative housing schemes in London.

Self-help housing

See Mace Co-op,
page 23

Self-help housing involves a group of people repairing and bringing empty properties back into use, usually with the help of volunteers. The model was popularised under the Empty Homes Community Grants programme, which saw 1,297¹² affordable homes refurbished.

Many projects work with unemployed and/or homeless people, offering free accommodation and the opportunity to work on bringing a home back into use before moving in on a permanent basis. Mace Housing Coop (p.23.) is a London example.

WHAT CAN COMMUNITY-LED HOUSING DO FOR LONDON?

Community-led housing has a unique ability to deliver genuinely affordable homes on sites that don't work for traditional developers. The number of small builders delivering fewer than 100 homes per project has halved the last 10 years¹³, and both central government and the GLA believe bringing SME and community builders back into the mix will unlock small sites and help address chronic undersupply. This is just one reason for the Mayor's strong financial and policy support for CLH. Another reason is the demonstrable social value CLH delivers.

People and communities

Building social networks

People working on CLH come together around sites, issues or interests and develop strong local connections, boosting cohesion, combatting loneliness and isolation, improving mental health and wellbeing.¹⁴

Strengthening skills and capacity

The process of developing and managing a scheme to fruition requires a huge array of 'soft' skills including project management, community organising, strategising, fundraising, research and building partnerships. Where groups undertake some of the labour, they learn 'hard' skills such as carpentry, brick laying and tiling. For both, there are many examples of volunteers translating their experience into employment.

Empowerment and democratic control

Are fundamental to the process. CLH is a process by which people develop and exercise agency. The degree of management responsibility residents take on varies, but they have security and a meaningful say in future decisions.

Homes and neighbourhoods

Driving higher standards of environmental performance and innovation

When people have a say in the design of their homes, considerations such as energy performance and sustainability often factor more centrally. In Bristol, a 1.4-hectare site was transferred to Bristol CLT by the council in order to build an 'exemplar development' of highly energy efficient, 100% affordable homes.¹⁵

Focus on design quality

CLH prioritises indoor and outdoor communal space; co-design processes are often used to suit features to the end user.

Long-term interest

Engagement doesn't end when the keys are handed over. CLH groups have a long-term interest which extends into ongoing operations and building maintenance.



Bristol CLT plans for 50 highly efficient homes at Shaldon Road, image courtesy of Architype.



In Camden, Camley Street Neighbourhood Forum organises an annual Harvest Party, offering live music, children's activities and organic food, image courtesy of Camley Street Neighbourhood Forum.

Wider community benefit

Projects can play an important role in the life of the surrounding neighbourhood. There are multiple examples in London of community-led housing groups setting up events and festivals, running workshops and providing training and space for their local communities.

Community-led housing as a conduit

While planning consultations can be adversarial, outreach around community-led housing has potential to create a more open conversation about why development might be needed, what benefit it offers the community and what form it could take.

Engagement on community-led housing in LB Croydon (p.17.) has acted as a conduit, sparking conversations with residents on a wide range of topics relating to the borough's future. This has produced a ripple effect through related areas of work.

For example, LB Croydon recognised that it needed to better communicate the benefits of development and how it works for local people. They are now working with engagement specialists to deliver training across teams including resident engagement, regeneration and housing.

Legacy

Beyond these benefits, CLH can show what is possible. The founder of one of London's best-known projects, RUSS in Lewisham, grew up in Walter's Way, a pioneering self-build project in the same borough. With so many varied projects underway in London now, there should be plenty of inspiration for the next wave of housing practitioners – professional and otherwise.

CASE STUDY: OWCH - HOUSING INNOVATION FOR OUR AGEING POPULATION



In working with OWCH, architect Pollard Thomas Edwards said “we hold the pen, but want want your ideas”, images courtesy Pollard Thomas Edwards



One of the best-known examples of community-led housing in London is Older Women’s Cohousing (OWCH). Concerned about loneliness and the limited housing options available for older people, a group of six pioneering women formed OWCH for women over 50. Inspired by examples overseas, the women were determined not to be “done unto”.¹⁶ Instead, they chose co-housing.

OWCH researched and visited projects and started searching for a suitable site in London. They approached every London borough and nine housing associations and were rejected by all. There was, and still is, much misunderstanding about cohousing and resistance to a development that encourages older people into an area.

In 2010, Hanover Housing Association came on board and a site was secured in LB Barnet. OWCH worked with architects Pollard Thomas Edwards (PTE) to co-design the scheme, learning the skills to lead its own housing development.

The group said that gaining specialist knowledge, such as site assessment and design briefs, was a “liberating and powerful experience”.¹⁷ The design team insists that the collaborative process between PTE, OWCH and the contractors did not add time or cost to standard housing delivery, dispelling a common myth about community-led development.

There are 26 owners and tenants living in 17 leasehold and eight social-rent flats. Each person has a self-contained flat and shares a common room, guest suite, garden, food-growing area and laundry. The flats are light and spacious, and the garden well cared for. Everyone takes part in running the organisation and managing the property. OWCH relies on a varied skills base, from finance to food growing, and members talk passionately about inclusivity, including gender, ethnicity, background, ability and skills as well as age.

OWCH is now supporting others, including with a website offering a wealth of resources for would-be cohousing groups, students and other interested parties.

An evidence base for the health and wellbeing benefits of collaborative housing models is growing, and the government has commissioned research on the impact both the process of co-production and the experience of living in the completed scheme have on loneliness. The All Party Parliamentary Group on Housing and Care for Older People, Housing our Ageing Population: Positive Ideas (HAPPI 3¹⁸) report encouraged housing associations “to use their development skills and experience to assist the fledgling ‘senior co-housing movement’, custom-building for groups of older people”.

WHO BENEFITS?

For local authorities facing thousand-strong housing waiting lists, and with limited land and resources to meet local needs, the question is important. Perceptions that CLH is the pursuit of already-privileged groups persist.

In reality, CLH is being taken up by rural communities and councils with limited Community Infrastructure Levy or Section 106 contributions as a way to deliver affordable housing for social tenants.

Affordability is a primary driver for many projects, with affordable tenures locked in for the long term through legal clauses, thereby removing community-led homes from speculation and associated price hikes.

The communities bringing projects forward in London are as diverse as the problems they seek to solve, and in some cases comprise groups overlooked by much mainstream development.

For example, RUSS prioritises sustainable living; groups like London Older Lesbian Co-housing and TONIC (an LGBT+ retirement community) are based on demographic characteristics and shared values; PEACH (p.34.) and London CLT (p.20.) are working to create affordable homes for local people; OWCH (p.9.) developed housing by and for older women; a cohousing group of wheelchair users has recently formed; and multiple CLH projects seek to provide housing for care-leavers.

Inclusivity

Involvement in projects requires free time and the obstacles low-income or marginalised groups face across wider society apply here too. However, this has not put off a wide range of people from getting involved in addressing their own housing issues; community-led housing organisations are (already) more diverse than many developer or housing association boards.

London councils actively championing CLH – like LBs Croydon (p.17.) and Waltham Forest – host events to reach residents who might not otherwise be aware of CLH. Nationally, the National CLT Network is managing a Cohesive Communities Fund designed to broaden groups' outreach, ensuring projects reflect communities and support a variety of needs.¹⁹

Getting involved in a CLH project is a choice, and groups do not purport to be representative of their areas or interest groups. CLH projects aiming to provide housing for their wider local community use allocation policies and are open to council nominations.

SUPPORT FOR CLH

Political support

Across the political spectrum, there is support for community-led housing. The Conservative-Liberal Democrat Coalition's Localism Act laid the groundwork for CLH in 2011 and the Conservatives rolled out the £163m Community Housing Fund in 2018. Labour's Housing for the Many green paper commits to retaining the Community Housing Fund and recognises that "more could be done to raise public awareness and scale up delivery".²⁰

The Labour Mayor of London, Sadiq Khan has implemented a number of policies to support the growth of community-led housing. The Liberal Democrats are proposing policies to encourage small-scale self-build on select sites,²¹ and the Green Party backs community-led approaches to building affordable homes.²²

Regional support

For CLH projects to succeed, groups need access to technical expertise, advice and funding. All over the country, CLH hubs are being set up to offer support, including:²³

- Explaining the routes to achieving community-led housing
- Identifying appropriate legal structures
- Help with feasibility studies, housing-needs surveys and business planning
- Information and advice on finance, land acquisition, asset transfers, development and management
- Training on governance, management and community organising
- Access to a range of (accredited) technical support professionals.

Hubs often act as an intermediary between community groups, local authorities and delivery partners.

Community Led Homes is the national hub. It acts as a single point of access for groups and partners and connects with regional hubs to disseminate support and funding.

In London, the Mayor has partnered with CDS Co-operatives to fund Community Led Housing London. The London hub works with community groups, boroughs, developers, housing associations and funders to boost delivery in the capital. Community Led Housing London can support authorities with policy advice and drafting, and works with officers to realise development opportunities.

London CLH groups also benefit from the experience of local pioneers. RUSS (p.19.) have set up a School of Community-Led Housing to share learning from its work to date.

Support by CLH subtype

Each sub-type of community-led housing has a national membership body:



National Community Land Trust Network: An independent charity, NCLTN works with government, local authorities, lenders and funders. It provides funding, resources, training and advice for Community Land Trusts (CLTs).



UK Cohousing Network: A membership organisation promoting awareness and development of cohousing.

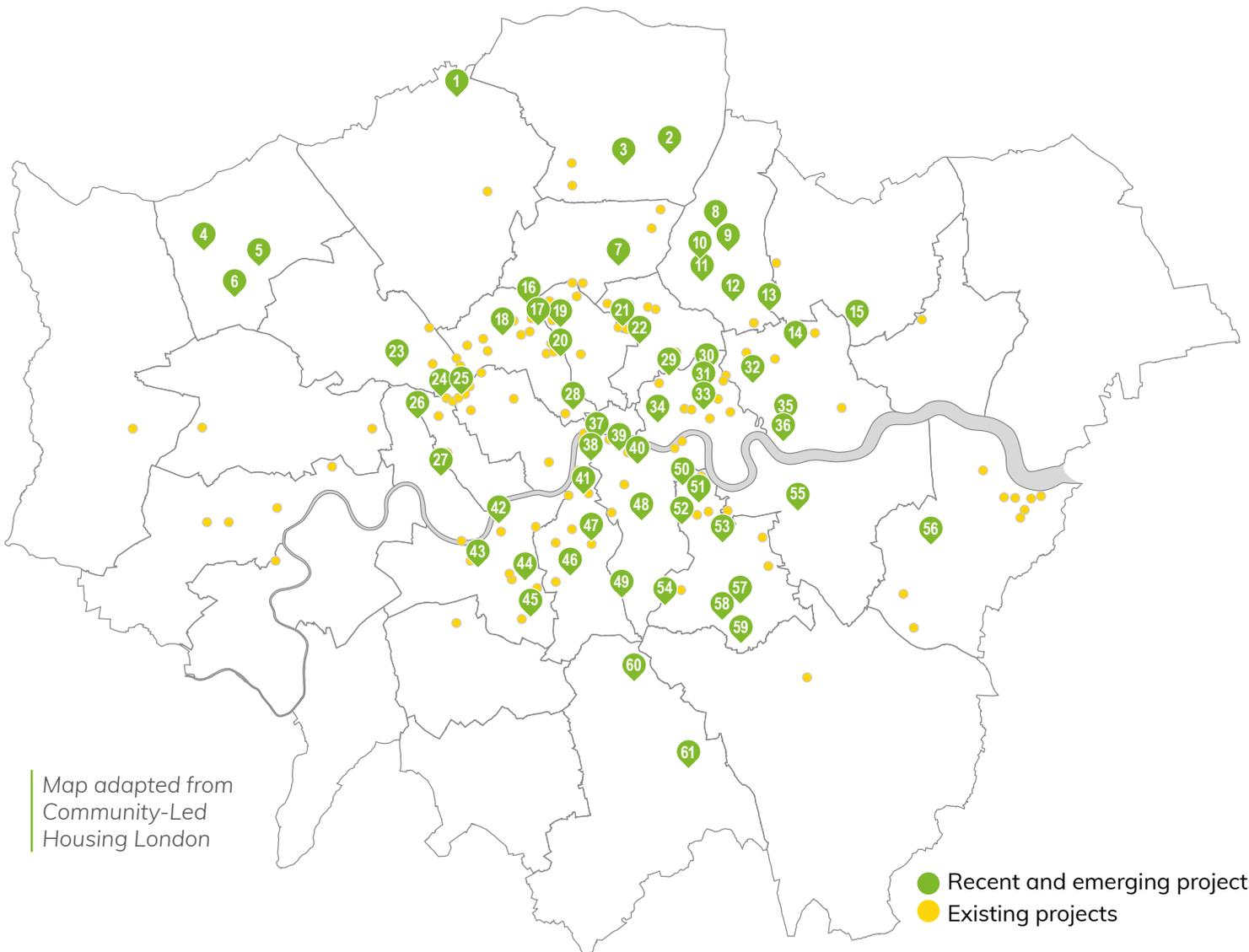


Confederation of Co-operative Housing: The CCH campaigns for co-operative solutions to meet housing need in England and Wales.



Self-Help-Housing.org: Raises the profile of self-help housing; develops, maps and fosters connections between projects; and engages funders, and the public and private sectors.

LONDON'S COMMUNITY-LED HOUSING GROUPS



- | | | |
|---------------------------------------|-------------------------------------|--|
| 1. Older Womens' Cohousing | 23. Harlesden Neighbourhood Forum | 45. Fledgling Cohousing |
| 2. Naked House | 24. Otherwise Living | 46. London CLT at Christchurch Road |
| 3. Southgate Cohousing | 25. Waltherton & Elgin CH | 47. Brixton Housing Co-op Expansion |
| 4. Step Down Housing | 26. St Marks Housing Co-op | 48. Peckham Rye Baptist Chapel CBS |
| 5. Zahra Housing Co-operative | 27. West Ken Gibbs Green CH | 49. Sun Housing Co-operative |
| 6. Cohousing Harrow | 28. Tonic | 50. Sanford Housing Co-operative Expansion |
| 7. St. Ann's Redevelopment Trust | 29. Arcadia Cohousing | 51. Quaggy MHOS |
| 8. Headway Self Build | 30. Roman Road CLT | 52. Community Assets for Society and Housing |
| 9. The Drive Co-op Expansion | 31. London CLT at St Clements | 53. RUSS |
| 10. London Older Lesbian Cohousing | 32. Surge Co-operative | 54. London CLT at Brasted Close |
| 11. Forest CLT | 33. London Cohousing | 55. Greenwich Citizen Housing |
| 12. Fountain Self Build Group | 34. London CLT at Cable Street | 56. Arbutnot Co-op |
| 13. Cohousing London East | 35. E16 CLT | 57. 58. 59. Phoenix Community Homes |
| 14. TBC Housing Co-op | 36. Britannia Village | 60. Crystal Palace CLT |
| 15. London CLT in Redbridge | 37. Coin Street Community Builders | 61. Heads2gether |
| 16. Fleet Cohousing | 38. New Cut Housing Co-op Expansion | |
| 17. Camden Community Makers | 39. Leathermarket CBS | |
| 18. NW3 CLT | 40. NSET Brighton Buildings | |
| 19. Holloway Cohousing | 41. WATMOS | |
| 20. Camley Street Sustainability Zone | 42. Imani Housing Co-op | |
| 21. Copper Lane Cohousing | 43. Earlsfield CLT | |
| 22. MACE Housing Co-operative | 44. Baham Community Church | |

3. PLANNING FOR COMMUNITY-LED HOUSING

Written with Jo Lavis, Royal Town Planning Institute, author of Community First Yorkshire's "A Planners' Guide to Community Led Housing".²⁴

Planning and community-led housing are mutually supportive. CLH is an opportunity to meet National Planning Policy Framework duties requiring authorities to:

- deliver social, economic and environmental benefits through development
- meet a range of local housing needs
- engage communities in development decisions
- meet statutory requirements for self- and custom-build housing.

Community-led projects can aid planning committee decisions (p.20.) and enable development on tight infill sites (p.30 and p.32.).

SUPPORTING COMMUNITY-LED HOUSING THROUGH A RANGE OF POLICIES

CLH is not a single form of development or tenure, nor is it produced in the same way as conventional development. It is best placed to succeed where planning policy and development management are supportive and flexible.

The most common approach to date has been to include CLH in Local Plan policies and site allocations.

Explicitly mentioning CLH in Local Plans as a mechanism for delivering affordable housing can help secure sites at below-market rates. Councils have been most successful where support for CLH is cascaded into Supplementary Planning Documents and Section 106 agreements.

In London, authorities including LB Croydon (p.17.) and LB Waltham Forest (p.14) are developing CLH policies for their Local Plans, and projects such as St Clements used a tailored S106 Agreement to deliver CLH homes as part of a commercial scheme (p.20.). LB Tower Hamlets is enabling CLH through its Self- and Custom-Build policy (page p.14.).



Image courtesy Pollard
Thomas Edwards

LB WALTHAM FOREST, DRAFT LOCAL PLAN 2020-2035 EXTRACT

Policy 36

Community-Led Housing, Self-Build and Custom-Build Housing Schemes for community-led housing, self-build and custom-build housing projects will supported by:

- A. Ensuring proposals meet the definition of community-led housing, self-build and custom-build housing projects;
- B. Requiring proposals to meet local and strategic housing needs;
- C. Ensuring proposals are compliant with other policies within this Plan, where relevant;
- D. Encouraging proposals on small sites for housing, infill development in estate regeneration; and as part of larger developments;
- E. Seeking the provision of serviced plots of land for self-build and custom-build housing as part of larger developments of 0.25ha, where appropriate.²⁵

CASE STUDY: LB TOWER HAMLETS: SUPPORTING SELF- AND CUSTOM-BUILD

The Self-build and Custom Housebuilding Act 2015 places a duty on councils to maintain a register of individuals and associations who are interested in acquiring land for self- and custom-housebuilding.²⁶ Community-led housing falls into the definition of Self- and Custom-build housing and a number of authorities including LB Tower Hamlets have used this to open sites for CLH.

The Act coincided with a political leadership in LB Tower Hamlets interested in CLH as way to develop affordable housing on plots ignored by traditional developers. CLH can help discharge the duties in the Act while delivering legal protection over the long-term affordability of homes.

In addition to actively promoting its Self- and Custom-Build Register, LB Tower Hamlets established a Self- and Custom-Build Forum which meets every six months, bringing potential self-builders together with officers and cabinet members responsible for housing and strategic development. The borough is also carrying out ongoing consultation and workshops with local people to help them understand the benefits of this relatively new type of housing.

The Forum has catalysed interest from groups and individuals wanting to build homes; from Spring 2020, LB Tower Hamlets will make sites available through a competitive process. Like LB Croydon (p.17.) Tower Hamlets is proposing to score bids on 20% financial offer and 80% on qualitative aspects, and is proposing a requirement for 100% affordable homes.



At an open day, local people meet officers and learn more about the Affordable Self-Build Programme, courtesy LB Tower Hamlets

IS COMMUNITY-LED HOUSING AFFORDABLE HOUSING?

Providing homes that are affordable is a key driver for many community-led housing groups. Even where this is not a core purpose of the scheme, groups are working with councils to meet local housing need.

Affordable housing provided through CLH schemes ranges from social rent, rental homes linked to local incomes, to different types of affordable ownership. CLH organisations may also have gained Registered Provider (RP) status to deliver rented housing using social housing grant, others will work with an RP.

Groups ensure the homes go to the intended occupants, at first and subsequent occupation, using bespoke lettings arrangements.²⁷ Groups' qualifying criteria for housing need may differ from the host council's Allocation Scheme; this is usually managed through a tailored Section 106 agreement, as exemplified in the St Clements case (p.20.).

For officers working in local authority development management, it is important to understand what a group wants to achieve through the scheme and to work the idea through, ensuring the scheme conforms to the principles of policy and is deliverable. Working with technical advisors from a CLH hub can ease the workload and provide independent support.

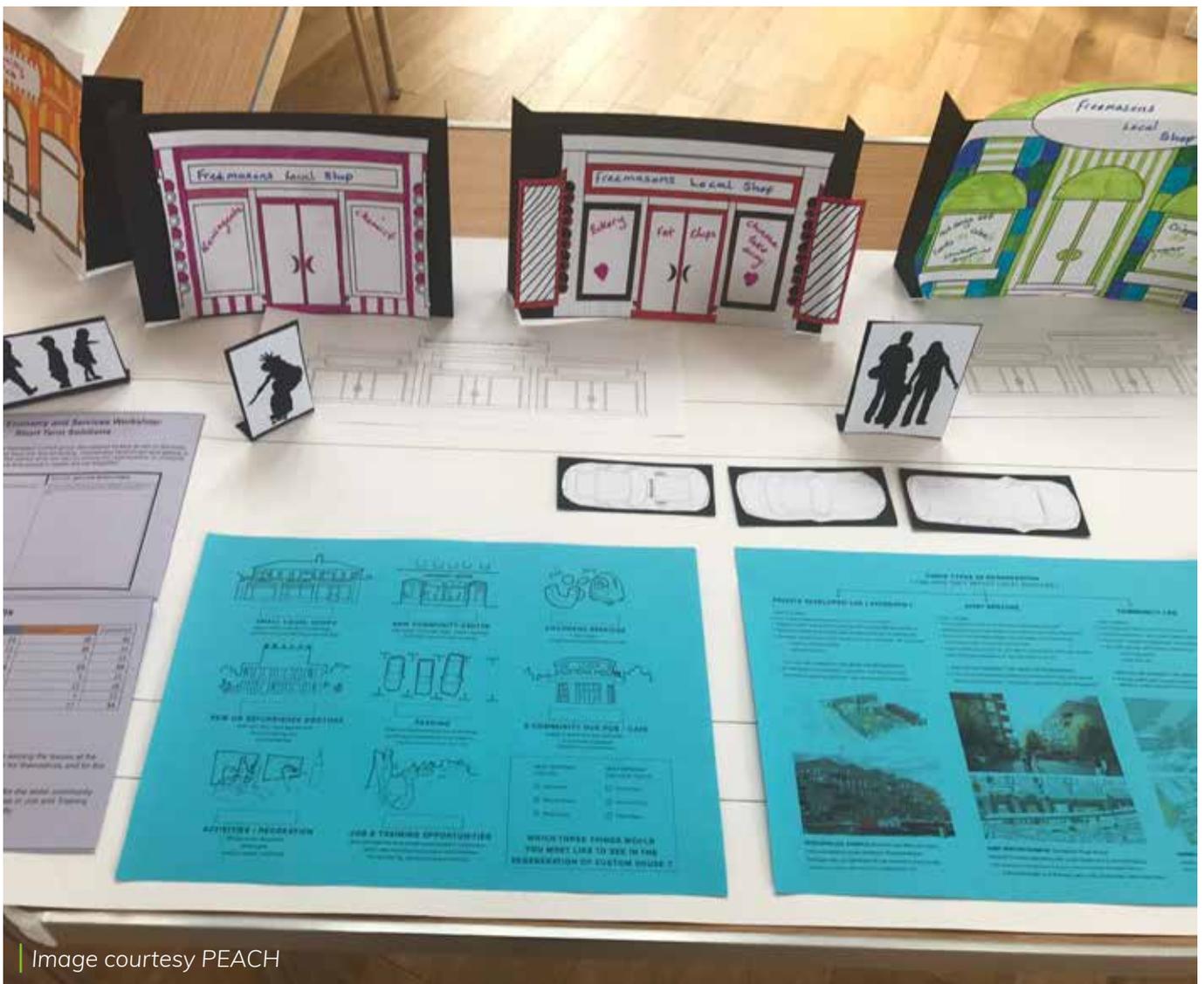


Image courtesy PEACH

4. THE QUEST FOR LAND

Perhaps the most significant challenge for community-led housing (CLH) groups is access to land. Public landowners are often asked to make sites available – through planning, asset transfer or sale – but this is easier said than done.

For one thing, local authorities are building again: as of 2018, 22 of London’s 33 boroughs had 23,600 council-led homes in the pipeline.²⁸ Sites with significant capacity will likely be earmarked for council-led development. For another, health, education and infrastructure also compete for land.

These factors are compounded by the use of land to generate capital, one of the only options open to councils squeezed by years of austerity. While local authorities are not legally obliged to generate maximum income from land, many feel politically pressured to do so and community groups do not have the resources to compete if the sole consideration is financial (see Appendix 1).

Still, many public landowners recognise the value of community-led housing and are making sites available. In each case, the approach is geared to ensure CLH complements housing and social value objectives.



Southwark have a pipeline of 100 homes working in partnership with community-led Leathermarket CBS. Image courtesy Leathermarket CBS, Map data ©2019 Google, Maxar Technologies.

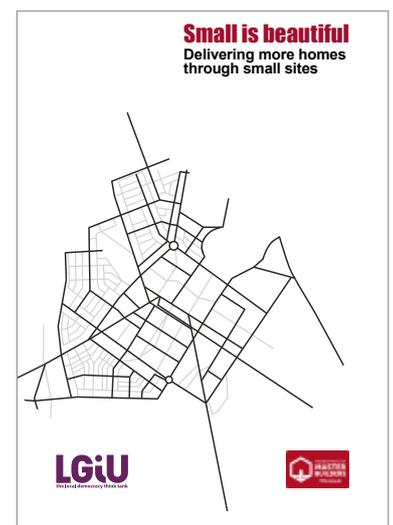
CONDITIONAL DISPOSAL: SMALL SITES, SMALL BUILDERS

Community-led schemes are best placed to succeed where they can support the wider strategic goals of the public sector. 25% of sites identified for London’s future homes are 0.25ha or smaller, requiring small builders, but delivery on these sites declined 50% from 2006 to 2016.

The GLA’s Small Sites Small Builders programme offers small, publicly-owned sites to small- and medium-sized builders – which can include CLH groups – through a simplified bidding process with standardised legal contracts to reduce barriers to entry. The pilot programme made 10 TfL sites available, including two designated for CLH projects.

London CLT was one of the successful bidders, taking on sites at Cable Street in Tower Hamlets and Christchurch Road in Lambeth. The sites will deliver around 75 new homes, all of which will be 100% genuinely and permanently affordable. The programme’s contracts are standardised and freely available for use via the GLA’s website.²⁹

LB Tower Hamlets (p.14.) and LB Croydon (p.17.) have worked with the GLA to set up a similar process.



“Small is beautiful” made the case for a step-change in how homes are delivered.

CASE STUDY: LB CROYDON: CLH, GROWTH AND ENGAGEMENT

Viewed as a key means of delivering the council's growth agenda, community-led housing in Croydon has strong support, with councillors interested in co-operative approaches to housing and work. CLH has also sustained interest from local groups, including Croydon Citizens, which campaigned for a Community Land Trust in the borough.

Working with the Co-operative Councils Innovation Network, in 2017 LB Croydon led a commission exploring how councils could work with communities to provide affordable housing. The resulting publication – “Community-Led Housing: a Key Role for Local Authorities” (see Further Resources) – set out why and how 12 local authorities are enabling and supporting Community-Led Housing across the UK.³⁰

Following the report, the council recruited officers with experience or knowledge of community-led housing and began working towards a community-led housing policy. The regeneration team also encouraged housing, resident engagement, legal and asset management teams to put processes in place early to realise CLH objectives.

In 2019, LB Croydon promised to make five council-owned sites available for CLH bids via the Small Sites, Small Builders portal. Ahead of the bids opening, LB Croydon ran a free workshop for Croydon residents. The workshop was designed to galvanise interest and demystify the process for people with no experience or prior knowledge of CLH, providing an overview of CLH and available sites, and signposting support and training.

In an approach regarded as best practice, LB Croydon also published detailed information on the scoring criteria for bids ahead of time: a valuable resource for both interested groups and other councils beginning the process. Producing the scoring criteria had wider benefit for the council, helping teams to think through what they understand as social value.

Bids are assessed on 80% quality and 20% cost. Within ‘cost’, marks are awarded for sound viability work and a sustainable financial model, rather than basing decisions solely on the offer of cash for land. Within ‘quality’, proposals are scored on topics including community engagement, governance and management, allocations, plans for construction and design, social value and inclusion.



Local people view The Lawns site, image courtesy of LB Croydon

LB Croydon is also providing technical and logistical support via Brick by Brick, the council-owned housing company, simplifying the process for groups and providing confidence for the council.

The first community group with a successful bid is the Crystal Palace Community Land Trust (CPCLT), which proposed high-quality, low-carbon affordable homes for The Lawns in Upper Norwood. In this and future successful bids, the homes will be owned and managed by the community groups that developed them.³¹

ASSET TRANSFER

Central government recognises the value of promoting community ownership to safeguard local assets and build community capacity through the provision of sustainable spaces.³² Where public landowner and community aspirations align, asset transfer can provide amenities to fulfil social purpose (Appendix 1).

PROCUREMENT

In some cases, land has been transferred to community-led groups through an OJEU (Official Journal of the European Union) procurement process. In cases where only one community group is interested in a particular site, an independent valuation and release of land under the Land Sale directive may be more appropriate.

COMMUNITY-LED HOUSING AS PART OF LARGER SCHEMES

Increasingly, CLH is being included as a component of larger schemes. It has potential to transform estate regeneration, empowering people, developing structures for long-term resident involvement and rebuilding trust.

Rather than viewing CLH in large schemes as a separate proposal, the goal should be to draw out the principles and activities associated with these homes to influence the whole site. An integrated approach would be needed, considering social infrastructure, buildings and governance across the scheme's operational life.

In Leeds, some of Citu Group's S106 requirements are being met by the homes that will be managed by Leeds Community Homes, a CLT.³³ London's first CLT, based at St Clements (p.18.), formed part of a wider redevelopment process.

Following a long campaign and Mayoral intervention, the commercial redevelopment of St Ann's Hospital in Haringey is set to include the largest number of CLH homes on any single London site to date.

Architects for London CLT's schemes are selected by public vote, image courtesy London CLT.



CASE STUDY: RURAL URBAN SYNTHESIS SOCIETY (RUSS): SUSTAINABILITY AND AFFORDABILITY

RUSS is a Lewisham-based Community Benefit Society with 900 active members. Anyone can become a member by buying a £1 share, which gives them a vote on the decision-making board. Founder Kareem Dayes drew on his experience of growing up on Walters Way, a self-build community in Lewisham, and living in Sanford Co-op, to grow the organisation.



RUSS members, image credit Warwick Sweeney

Finding a viable site

In 2013, the group became aware of a vacant site and asked LB Lewisham to consider it for a community-led self-build project. The Council used OJEU to seek a non-profit community-led development partner, selecting RUSS Community Land Trust to enter into a development agreement and 250-year lease in 2016. The agreement means the scheme is legally bound to deliver social outcomes and gave the council the confidence to take less than 'best consideration' (Appendix 1) for the site. It also allows the CLT to offer homes significantly cheaper than others in the area and to guarantee affordability in perpetuity.

RUSS received planning permission for Church Grove in 2018. The scheme will include 33 one- to four-bedroom homes plus a community space, office and kitchen for community workshops and activities.



33 sustainable new homes for Lewisham, image courtesy of Architype

Funding the project

RUSS raised capital by crowd-funding and received a £988,000 grant from the Mayor of London to develop its proposals and hire consultants. Loan finance from social investors will pay for construction; the loan will be partly repaid after construction through mortgages for the scheme's shared-equity homes. A long-term loan will cover the remainder to be paid for by rental income. Crowd-funding was also employed to help fund the construction of the organisation's temporary community hub.

CASE STUDY: ST CLEMENTS: AFFORDABLE HOMES FOR LONDONERS

London CLT is registered as a Community Benefit Society and is governed by its members. Anyone who lives in London can buy a £1 share and join, with a vote at the AGM and the ability to stand for election to the board.

In 2009, London CLT members unanimously voted to focus on St Clements – a Grade-II listed former hospital in LB Tower Hamlets – as their first space for community-led housing. After a campaign by Citizens UK and London CLT members, landowner GLA agreed to explore the potential of a CLT on the site.

London CLT undertook a community-led design process in early 2011 and bid for the site later in the year, working with a consortium led by igloo Regeneration. The consortium lost the bid, but the GLA asked developer Galliford Try and London CLT to work together. The two formed the St Clements partnership.

With the partnership set up, London CLT undertook a second community-led design process to develop local people's ideas for the site. Previous applications to build on the site had been refused, but with London CLT's thorough engagement and an increased offer of social rented homes, the Planning Committee unanimously approved the scheme.

CLH through a tailored Section 106 agreement

35% of the scheme's 252 homes are affordable, with 58 for social rent and the remaining 23 sold to London CLT. House prices are set according to the median income in the borough, so that residents' mortgage payments are never more than a third of local median income. London CLT own a headlease on their 23 homes, and sublease to their residents using a bespoke allocations policy.

The detailed allocations process was created in consultation with local residents, using five guiding principles of fairness, transparency, simplicity, legality and scalability.

The five eligibility criteria (weighted according to priority) were:

- Connection – Minimum of five years' connection to Tower Hamlets
- Involvement – Belong to and participate in the local community
- Finance – Priced out of the open housing market and able to afford a London CLT home
- Housing Need – More suitable (than current) accommodation required
- Supportive of London CLT³⁴

Life at St Clements

A Resident Management Company is being developed to ensure residents have control over their homes for the long term and in the interim there is St Clements Residents Association. As required by the GLA in its land

Headlease

A lease held directly from the freeholder, with one or more underleases beneath



London CLT engage members ahead of development, image courtesy of London CLT

disposal tender, the site's freehold will be transferred to a community foundation once the build is complete.



London CLT homes at St Clements, credit JTP Architects.

The first of many

St Clements was London CLT's first project and the first CLT in the UK to price homes at first and subsequent sales according to local incomes, proving an innovative model and developing a track record. This has helped the organisation to win further bids in Lewisham, Lambeth and Tower Hamlets, with lively campaigns in Greenwich, Ealing, Redbridge and Croydon.

Top tips, kindly supplied by London CLT:

- **Go to people where they are**

London CLT and Citizens UK worked through existing relationships to speak in local schools, mosques and churches about the CLT campaign. Meetings about CLTs are likely to attract people with prior knowledge of alternative housing models but going to people directly helped London CLT engage with Tower Hamlets' diverse population.

- **Physical models are great!**

Bringing a model into local cafes, shops and institutions really helped with engagement. It does not have to be an expensive model made by architects, it can be a home-made model of cardboard and plasticine – but models make things real and visual and exciting.

- **Organise for power**

The most beautiful designs in the world won't become a reality without power. Building relationships with people, both decision makers within organisations and local residents who might be interested in supporting your plans, builds power.

CASE STUDY: POPLAR HARCA – COMMUNITY-LED HOUSING AND ESTATE REGENERATION

Poplar HARCA is a housing association that owns and manages around 9,000 homes and community, retail, and other spaces in Poplar, an area going through significant change.

In 2019, on an 81% turnout, 86% of voters backed proposals for redevelopment of the Teviot Estate. The project will bring 1,800 to 2,450 new homes, new green and play spaces, shops, commercial space, community and faith facilities, and improved infrastructure.³⁵ The offer is strong, but Poplar HARCA is exploring the potential of CLH to create further opportunities for residents.

Community-Led Housing: the opportunity for estates

A range of social value outcomes could be delivered by using CLH to create an offer tailored to the aspirations of the following demographics, whose needs are hard to meet:

- Young people living with family who are unlikely to ever get their own social rent home through the current 18,726-strong waiting list.
- Local workers who cannot afford to buy in the area, who are unlikely to have priority for a social rent home and face an uncertain future renting privately.
- Older people for whom the current offer of housing may not be fit for purpose, or who experience isolation.

CLH models could make downsizing attractive and deliver better health and wellbeing outcomes for older residents; create alternative routes to ownership for low and medium-income people; and secure rental options for all ages and incomes. Co-operative workspace and commercial space could be designed and managed to bring new and existing workers and residents together, boosting cohesion as the industrial identity of Poplar evolves in the coming decade.

Integrating the principles

The overarching ambition is for Teviot to house a thriving, mixed community. Employing CLH principles of community consent and control across the whole could bring residents from different backgrounds and tenures together, boosting cohesion.

This work is already underway. A core promise of the current offer to residents is that a Residents' Steering Group provides representation at every decision and remains central to shaping the future of Teviot. The promise aligns with the principles of community-led housing and work to date has parallels with co-production processes in neighbouring LB Newham (see p.34.).

Enabling residents to develop housing proposals will require a significant programme of engagement and capacity building, showcasing the possibilities of CLH and empowering residents, current and future, with the skills and structures through which to bring ideas forward. Poplar HARCA is taking a proactive approach to establishing the relevant mechanisms early.

Teviot Estate is home to a strong, close community



WORKING WITH WHAT'S THERE: REFURBISHMENT

Refurbishing existing buildings poses few land challenges, offers reduced complexity in terms of planning, and typically takes less time than building new. It provides an entry-level opportunity for groups to learn the ropes of development and build confidence through training and volunteering opportunities.

For authorities, the community-led refurbishment can re-provide homes and affordable workspace, and reactivate high streets. In East London, housing association Poplar HARCA operates a scheme in conjunction with Bow Arts Trust to bring disused flats back into use as live/work spaces for low-income artists.³⁶

In Newham, PEACH (p.34.) have a memorandum of understanding with the council that they will lease up to 10 homes in the Custom House regeneration area to be refurbished and let at social rent levels.



In Lewisham, community-led housing association Phoenix Community Housing secured a £4m grant to refurbish the Fellowship Inn, providing a cinema, space for a music education charity and a range of community activities. Images courtesy of Phoenix Community Housing.



CASE STUDY: MACE HOUSING CO-OP

Mace Housing Co-op was set up by students in 1974 to house creative individuals and homeless people. Originally, the co-op sought short-life housing from Greater London Council. This was allocated to members who renovated homes, at their own expense, in exchange for peppercorn rent.

From there, renovated homes were gradually re-let at higher rents. Today the organisation has a turnover in excess of £3m and manages around 300 properties, mostly leased from Hackney and Camden councils. Recent projects include refurbishing 18 flats on Kilburn High Road through the discontinued Empty Homes Community Grant Programme.³⁷



5. ACCESS TO AFFORDABLE FINANCE

There is money for CLH – in addition to the GLA's £38m fund (p.25.), groups have used grants, loans, crowdfunding and their own equity to build capacity and projects – but each route has its own challenges. Groups need to decide what is right for their aspirations and show how their project aligns with funder priorities.

This section outlines the resources for different development stages.

GETTING STARTED

A project may start with a handful of people, but to gain traction the group will need to engage with a wider community and building its skills and capacity. Tudor Trust and Locality are active in this space, providing a range of small grants and support to help groups get started. For London groups, a first port of call is Community Led Housing London, which can provide or signpost funding.

FUNDING SITE SELECTION AND PLANNING STAGES

Community Led Housing London also provides some grant funding for commissioning business plans, professional fees, financial advice, development management expertise, development appraisals, site capacity assessments, surveys and due diligence.

STATE AID

State Aid is the term used to describe any support – land, loans, tax breaks or funding – given by a public authority to an organisation that may give them a competitive advantage.³⁸ To protect competition in EU markets, any advantage given must comply with State Aid rules. Although specialist legal advice is recommended, public sector efforts to support CLH may be impacted by these rules, as follows:

Revenue grant

To comply with State Aid law, revenue funding from a state body to an organisation is capped at the equivalent of €200,000 over a three-year period ('de minimis'³⁹ rule).

Capital grant

Affordable Housing is usually seen as a 'Service of General Economic Interest' and exempt from State Aid regulations. The fixed-route grant from GLA's Affordable Homes grant programme is State Aid-compliant. Negotiated-route grants will require detailed viability work. In these cases, bidders and the GLA will need to ensure funding awarded is State Aid-compliant.⁴⁰

Loans

If public money is given as a repayable loan, there is State Aid if the interest is below that calculated by an EU set calculation matrix. But, State Aid will only apply to the difference in interest, meaning State Aid only applies, for revenue, on amounts greater than €200,000 over three years (because the de minimis rule still applies) and can be included in the grant calculation for loans for capital works for affordable housing.

FUNDING THE BUILD

The costliest phase of a group's journey, capital for the build will likely come from a range of sources.

Capital funding

Public grant

In London, the £38m Community Housing Fund makes capital grants available to support delivery of affordable homes. Bidders can apply for capital to build new homes, acquire or remediate land and, in some instances, refurbish existing properties, for example where it can be demonstrated the properties could not otherwise be brought back into use. The grant is non-repayable, provided the homes stay affordable in perpetuity and their affordable status is legally protected.

Public Works Loan Board

Where group aspirations and local housing need align, another option is for the local authority to seek money from the Public Works Loan Board and provide a low-interest loan for the group, and some income for the local authority through an agreed fee.

East Devon District Council uses this approach. The council has a good relationship with Beer CLT, having supported it with a development loan of over £1m in 2013. The group made all repayments on or ahead of time, prompting the council to pass on a further short-term loan from the PWLB, enabling the group to build out a second scheme of seven homes in 2018.⁴² Because PWLB interest rates were low, the council could apply a small fee on top of the loan, generating revenue. Even with the fees and interest rates, this route was still cheaper than borrowing via mainstream or social lenders.

Institutional investors

Global investors are actively seeking opportunities, and the secure, long-term revenue streams affordable housing offers are attractive to this type of patient capital.

Community-led housing could be a good fit for pension funds and large institutional investors, but the issue is scale. Large funds have high thresholds, seeking minimum investments of roughly £100m.

Ambitious schemes such as Brixton Green's plans for 300+ homes for rent in South London could meet this appetite (p.29.), but the right alignment of political will and CLH group, investor and landowner priorities has yet to emerge.

Social and impact investors

CAF Venturesome provide development finance between £20,000 to £400,000 for CLTs where 50% of homes being developed are affordable.⁴³ Social and Sustainable Capital offer loans for small- to medium-sized charitable organisations to buy housing.

Social lenders recognise the social value of CLH but have often assumed risk profiles that means the returns sought are too high to be attractive for groups.

Mainstream lenders

Where schemes offer homes for sale, shared ownership or shared equity, mortgages are required to help applicants meet financial eligibility criteria.

In 2017, National CLT Network commissioned research into the landscape of mortgage lending for CLT and cohousing schemes, finding mortgages are provided by only a small group of lenders nationally.⁴⁴ While availability of mortgages did not constrain development, it did influence the shape of projects:

"In areas such as housing, energy and leisure facilities, local government can leverage their capacity to invest in community ventures with social impact, including through accessing funding via the Public Works Loan Board or as a co-investor to lever in private capital which is aligned with its objective."⁴¹

Ministry of Housing, Communities and Local Government, 2019

difficulty obtaining mortgages for innovative models (e.g. those that link rents to local incomes) has deterred some CLTs from such plans.

As CLH grows, and as its needs and demonstrable benefits evolve, leaders in the sector must prioritise communicating the benefits and returns to mainstream lenders; this work could start now.

Ethical banks

Some ethical banks fund community-led housing groups as part of their commitment to promoting affordable and sustainable housing solutions. Triodos offer loans of up to £10m for the development or purchase of new homes and advise groups on negotiating obstacles and raising further capital.

Personal equity

While it will not be appropriate for all schemes, where members of a group have personal savings or equity, these can be an important source of capital. In London, RUSS and OWCH allocated homes ahead of the build, asking future owner-occupiers to commit capital.

Community shares and crowdfunding

Some groups have used a Share Offer, selling shares in the planned development. London CLT's 2016 Community Share Offer closed at £488,960.⁴⁵ In other cases, crowdfunding has been an important source of capital (p.19. and p.36.). These routes, like personal equity, will likely form a small contribution alongside larger loans and grants.



Crowdfunding secured pledges of £84,872 towards Cody Dock's £196,861. While the target was missed, the exercise catalysed significant interest from corporate partners. Image courtesy Gasworks Dock Partnership.



RUSS offer volunteers hands-on experience in self-building, simultaneously making substantial savings to the build cost, image courtesy RUSS, credit GMilano_7.

NON-FINANCIAL SUPPORT FROM LOCAL AUTHORITIES

Underwriting and step-in rights

In some cases, councils have provided support by underwriting grants, as LB Lewisham did with the GLA's grant to RUSS (p. 19.). It could be possible to see this approach applied to loans as well, which would be likely to reduce the risk and the corresponding loan interest rates.

Another route is for the council to put 'step-in rights' into loan agreements, allowing the council to take control of the land and finish construction if a project does not run to plan and assume responsibility for paying back a lender.

Asset transfer, deferred consideration or less than best consideration

No investor will be able to offer financing without a site, making land the holy grail for groups. Transferring land to a group on a long-term lease enables the group to make use of the value of the land as equity, without having to secure capital for it (p.32.).

Deferring the value of the land into a long-term annual payment can also help by easing cash flow.

Planning permission

For any developer, securing investment for a project is easier with planning permission, as it removes a key risk for lenders. By engaging early with groups, local authority development managers can explain policy expectations and site limitations, helping projects obtain planning permission and giving confidence to prospective development and investment partners.

MANAGING PRIORITIES

Projects will often combine multiple funding sources plus non-financial support in the form of land, leased or transferred. Where loans or grants are made from social lenders, these will come with expectations of a social return. Add into the mix money from sources prioritising a financial return and the expectation from landowners that a project will deliver a set amount of homes: balancing the priorities can become difficult.

Trade-offs may be required between, for example, sustainability features and the amount of housing created. Funders might require their loan be underwritten or subject to step-in rights, which could require a partner to finish the build and sell homes at market value if the group runs into trouble. Legal clauses are usually in place to ensure these measures are a last resort, but the prospect could seem alarming.

Transparency, clarity and early engagement will smooth the process. Bringing all partners together at an early stage will give the project the best chance of success, ensuring all expectations are understood and accounted for from the outset. The goal is to work through potential conflicts in loan and grant conditions, ensuring groups understand terms and are set-up to succeed.⁴⁶

Consortia

Building partnerships which include known organisations with demonstrable track records helps investors feel secure. Brixton Green made savvy use of this approach.



Above and left: Brixton Green's proposed 300+ homes for rent, images courtesy Metropolitan Workshop.



Below and top right: In Zurich, large 100% rental cooperatives are often part-funded at the build stage by membership fees, see Further Resources



CASE STUDY: BRIXTON GREEN – ALTERNATIVES TO OWNERSHIP

Private renting is a growing reality for many people, but it often isn't their first choice. 25% of Private Rented Sector (PRS) homes are non-decent⁴⁷ and short-term leases limit tenant protection, impeding renters' security and ability to put down roots. These problems compound long-standing cultural views of home ownership and social tenancies as the only two routes by which people can access secure housing.

The motivations to buy a home and secure a social tenancy have much in common, offering:

- **Affordability** – with some degree of protection from market forces and un-regulated landlords
- **Control** – ability to influence the home and wider environment
- **Security** – rights of occupation, significant protections against eviction, the ability to put down roots and settle for the long-term
- **Governance** – ability to control decisions about the wider building, block or neighbourhood
- **Community** – getting to know neighbours and building strong social networks over time.

Brixton Green, a community-led development society, led a housing project for Somerleyton Road in Lambeth proposing an innovative approach to renting.

The scheme aspired to link rents to local incomes, with homes at lower rents cross-subsidised by market rents. The setting of rents and allocation of units was designed to ensure financial viability and a genuinely mixed community. The model also offered security and an emphasis on resident control through democratic governance processes.

Table 1: Proposed rents at Brixton Green, linked to 30% of a household's income. Source: Brixton Green, bit.ly/360fETs

Total household income per year	Rent per month (whether 1, 2, 3 or 4 bed)
£0 to £25,000	Same as Council Target Rent
£25,000 to £35,000	£750 per month*
£35,000 to £45,000	£1,000 per month*
£45,000 to £55,000	£1,250 per month*
£55,000 to £70,000	£1,562.50 per month*
Over £70,000	Market rent

**(or market rent if lower)*

Aware that its financial model could be perceived as high-risk, the organisation sought a housing association partner to develop the homes, providing a 'friendly face' for investors. Brixton Green started working with a housing association in 2017 and Legal & General was brought in as a potential investor.

The plans halted when the local authority opted to deliver the site directly, but Brixton Green's near success provides transferable lessons in terms of what CLH can achieve and how to get there.

6. WORKING IN NEW WAYS

Partnerships are needed to realise the myriad benefits of community-led housing. There is a key role for local authorities, housing associations and other delivery partners at each stage. For communities, the level of responsibility taken on will vary with each scheme, but all projects involve strong relationships, new ways of working, and trust.

CO-PRODUCTION IN HOUSING AND REGENERATION

“Co-production’ refers to a way of working whereby citizens and decision-makers ... work together to create a decision or service which works for them all. The approach is value-driven and built on the principle that those who use a service are best placed to help design it.”⁴⁸

In 2019, the Ministry for Homes Communities and Local Government’s Communities Framework set out the government’s vision for strengthening communities, encouraging all practitioners to adopt “commissioning strategies that are co-designed with communities” and to “build capacity in communities for future delivery”.⁴⁹

Co-production in the built environment is about a developer (public or private) working with a community group, listening and sharing power, even if the actual development expertise may be one-sided.⁵⁰ There is much to be learned from projects in Bristol and London.

“Stakeholder alignment is (almost) everything in regeneration. If managed right – and I don’t underestimate the challenge – CLH can bring benefits to all, in that it should create mutual alignment, commonality of interests and language, and clarity of purpose between relative strangers in the development process.”⁵¹

Oliver Maury, Partner,
Montagu Evans

CASE STUDY: WE CAN MAKE

Bristol’s house prices have climbed consistently since 2014, and faster than London’s. The average property price is now 11 times the average salary,⁵² and the inflow of young people taking advantage of employment opportunities has steadily added to the population, raising serious concerns about housing supply.

These concerns were prevalent in Knowle West, a low-density, 1930s estate in one of the most deprived wards in England. A community event in 2016 identified housing as residents’ top concern.

This sparked local arts centre Knowle West Media Centre and architecture practice White Design to bring residents together with designers, academics and policymakers to co-produce a new citizen-led approach to creating affordable homes in a project known as We Can Make.⁵³

Co-production is an asset-based approach: it is about what’s there rather than what is missing. In 2018, a survey of Knowle West identified:

- Significant appetite for change amongst residents
- The practical know-how of local people
- A land supply not identified in any allocation policy – 2,000 micro-plots, each big enough for a one- or two-bedroom home, across the 5,000-home estate.⁵⁴

Where many low-density estates face demolition to make way for new homes, We Can Make understood that existing assets could be the ingredients for opt-in densification.



Opt-in densification, image courtesy We Can Make.



Knowle West residents begin work towards a community design code, image courtesy Iboyla Feher.

Drawing on the community's skills, resources and know-how, We Can Make designed a prototype home for the estate's abundant micro-sites. The process employed the rule 'low floor, high ceiling': to make it as simple as possible for everyone to get involved, without putting restrictions on how sophisticated involvement could be.

Once co-designed by the community, with professional support, the prototype was assembled over 12 weeks by local people. This tangible project output offers many benefits: locals can stay for free, get to know the space and leave valuable feedback. People from further afield can pay to stay via Airbnb, providing reviews and a revenue stream.

In 2019, 80 families have opted in, supporting community-led densification. In addition to the prototype, We Can Make developed a community design code and a supplier's framework, with a housing factory and CLT in the works.



The prototype home, image courtesy Iboyla Feher.

CASE STUDY: COMMUNITY-LED HOMES FOR THE LONDON BOROUGH OF SOUTHWARK

Case study courtesy of Leathermarket CBS, LB Southwark and igloo Community Builders.

London's largest social landlord, LB Southwark, has 12,000 households on the council's waiting list. To achieve its ambitious target of 11,000 new council homes by 2043, the borough recognises a need to diversify its approach, including direct delivery and community partnerships.

Leathermarket Joint Management Board (JMB) is the largest tenant management organisation (TMO) in Southwark. Established in 1996, the organisation has a high trust factor with both the council and local people. It oversees services from maintenance to major works across 1,500 homes and achieved 94% approval from residents at the last continuation ballot.

Conversations with residents in the run-up to Leathermarket JMB's 2011 continuation ballot showed that JMB residents loved their neighbourhood and community, but lived in homes that couldn't meet their needs. Families were overcrowded, pensioners were under-occupying, and residents with health issues were struggling in blocks without lifts. However, residents could not afford to move into the private rental market. Residents asked the JMB to take action.

Taking action

JMB residents, helped by development managers igloo Community Builders and with support from LB Southwark, set up the Leathermarket Community Benefit Society (CBS) in 2014, with the aim of building new, genuinely affordable homes by and for the local community.

A Housing Needs survey revealed that 87% of JMB residents supported building new homes on underused areas of their estates. Residents identified a suitable site within the estate containing 20 underused garages.

Recognising the CBS was best placed to deliver the 'hidden homes', LB Southwark took the pioneering approach of transferring the land to the CBS on a long lease, enabling the community itself to develop the project and manage the completed homes.

Tenant Management Organisations (TMOs) are a means by which council or housing association tenants and leaseholders can collectively take on responsibility for managing the homes they live in.

See: bit.ly/35S9m85



The TMO hears from residents on the Elim Estate, image courtesy of Leathermarket CBS.



Starting with a blank sheet of paper: resident led design

The CBS appointed igloo Community Builders and Bell Phillips Architects to inform their approach and assist with the development. Consultations began with a blank sheet of paper, putting the interests of local residents at the heart of the project from its earliest stages.

Over the course of an intensive, year-long design process, residents took part in meetings, walking tours, and visits to other affordable housing projects to refine what they wanted in terms of building height, materials, and design details.

Residents shape the design of Marklake Court at every stage, image courtesy of Leathermarket CBS.

The community worked closely with the design team at every stage and were shown how each of their comments shaped the evolving design. The homes were allocated to those in housing need early in the process, enabling new residents to co-design their own homes. The design process also encouraged downsizers to move into bespoke local homes, freeing up larger council properties for other families on the waiting list – meaning that 27 'right-sized' homes ultimately helped many more.

Looking forward

The scheme, named Marklake Court, is now occupied and home to a thriving community, with work underway to track and capture the social value created. Working with the CBS, LB Southwark has around 150 further homes in the pipeline and a rolling programme underway.



27 new homes for council rent at Marklake Court, image courtesy of Leathermarket CBS.

CASE STUDY: CO-PRODUCTION AT NEIGHBOURHOOD SCALE, PEACH AND LB NEWHAM

Adjacent to the former dockyards in East London, Custom House has been earmarked for regeneration since 2003, but progress has been slow. In 2013, The People's Empowerment Alliance for Custom House (PEACH) was established and in 2015 set up The Alternative Regeneration Plan, developing a regeneration brief for the area through a community-led masterplan.



In 2018, the election of Mayor Rokhsana Fiaz and her emphasis on local people's input meant that PEACH's aspirations aligned with the local political agenda.⁵⁵ Since then, both parties have been unpacking what co-production will mean for PEACH and LB Newham.

One step has been LB Newham sharing the design tender for the first phase of regeneration with PEACH, leading to feedback, negotiations and community representatives on the selection panel for the procurement of the design team. Representatives are democratically elected and paid London Living Wage; PEACH provides structured support and training. 2019 saw the establishment of a Custom House Steering Group, with council officers, members and the elected community representatives working together.

Above: local children present their 'regenerated street'
Below: workshops around themes including Housing, Economy and Services are designed to understand residents' priorities for Custom House's future. Images courtesy of PEACH.

E16 CLT

Born from PEACH's activities, E16 CLT is planning permanently affordable, community-led homes and workspace for Custom House. The CLT has been granted funding from the London Community Housing Fund to undertake feasibility work and aims to build a mixed-used scheme, including between 10 and 30 homes for social rent.



Governance, trust and shared power

For co-production to succeed, trust between all parties is essential. Hard won and easily lost, honesty about expectations and red lines should be prioritised from the start. It is important for everyone to be consistent, deliver on promises and be transparent about the reasons for changes and/or delays where they occur.

Establishing clear structures for decision-making will help, including representation for all parties. Creating space for public sector observers on community boards can give confidence to landowners; community representation in public-sector decision-making through steering groups or representatives on panels works the other way. In Lewisham, Phoenix Community Housing's board comprises six residents, two Lewisham Council representatives and four independent members. The Chair and Vice Chair roles are held by Phoenix tenants.⁵⁶

CLH presumes that residents will remain engaged in the management and/or maintenance of homes, though the level of responsibility varies across projects. For example:

- OWCH elects a management committee and residents make decisions at monthly meetings.
- London CLT's membership reaches across London. Members vote on key decisions at AGMs while decision-making at the scheme level is undertaken by residents, like the Resident Management Committee at St Clements.
- The new homes at Marklake Court were developed, and will be managed, by Leathermarket JMB.

Supporting bodies such as Community Led Housing London can help groups explore options and decide on structures and processes that work for their aspirations.

Rolling out existing structures

Where London's communities seek greater control, applying established structures to a range of housing types and tenures could add value for residents and landowners.

Many of London's estates are managed by Tenant Management Organisations (TMOs). Anne Power, Professor at the London School of Economics, observes that while TMOs have come under scrutiny of late, overall they outperform council landlords in key areas such as managing rent arrears, re-letting flats, speed of repair, cost and tenant satisfaction.⁵⁷

Housing associations and councils support Tenant and Resident Associations (TRAs), recognising value democratic resident structures can add to communities and local authority officers stretched for resource and working across multiple locations.⁵⁸ LB Camden has a Tenant and Leaseholder Engagement Team which can provide grants and guidance to TRAs.

Getting organised

In 2015, Churchill Fellowship research found community organising to be a critical success factor in CLT projects across the United States.⁵⁹ This finding is also observable in the accomplishments of London projects like London CLT, PEACH, StART and Leathermarket JMB. The presence of a resourceful, organised community underpins their success and the rich, detailed knowledge groups build through organising is an asset which can enable better development outcomes.

7. BEYOND HOUSING

Community-led approaches to placemaking are having a resurgence that aligns well with community-led housing. Examples include Neighbourhood Plans; Community Interest Companies to manage community assets; and landowners offering meanwhile spaces to social enterprises.

In Camden, a community group grown from the Camley Street Neighbourhood Forum are working to bring forward a mixed-used scheme integrating industrial use with new residential development. In Lewisham, resident-led housing association Phoenix Community Housing secured £4m from the National Lottery Heritage Fund to restore The Fellowship Inn, the first ever pub built on a London housing estate. The restored Fellowship is home to Lewisham's first cinema, an events space, a music education charity, a café and a pub.

These activities share the principles of community-led housing, particularly community consent, control, engagement and stewardship. Their scale varies, as does the degree to which they have been successful, with much depending on local political will.

In some cases, community-led approaches to planning and place-making have turned attention to housing. In Harlesden, the process of developing a neighbourhood plan has galvanised local interest in community-led housing and the plan identified sites for CLH, which will be developed with partners including LB Brent and Crisis.

Creative social enterprise Stour Space began in an abandoned warehouse. Today the thriving venue is listed as an Asset of Community Value, providing space for artists and a packed programme of community activities. Stour is a founding member of the Hackney Wick & Fish Island Community Development Trust, a consortium of local grassroots organisations aimed at collective resource sharing, acting as a community-led hyper-local authority.

2019 saw the establishment of Stour Trust Community Interest Company (CIC) which plans to manage 500sq/m of affordable work and community space as part of a Section 106 agreement. The Trust will be granted a 149-year lease with a remit to ensure the development works for local people and creative practitioners.

CASE STUDY: CODY DOCK – COMMUNITY-LED REGENERATION

Newham: continuity and change

Bordered by water on three sides, LB Newham was a powerhouse of London's industrialisation. Factories and wharves along the River Lea and docklands drew thousands of newcomers to the borough and to London. As the docklands and river closed to shipping activity, these spaces were abandoned, with the river Lea – and local connections to its history – becoming hidden from view.

It was this loss of connection that struck Simon Myers, now CEO of Gasworks Dock Partnership, as he explored the Lea by boat in the early 2000s. New to London and drawn to the river, he discovered Cody Dock, at the time a dumping ground for nearby commercial uses.



Gasworks Dock Partnership aims to reopen the dry dock (left), providing services to boaters.

Rediscovering the dock

Aware of Newham's average resident stay of four years and the opportunity heralded by the coming Olympic and Paralympic Games, Simon saw the river as a chance to inspire people to stay for longer and catalyse connections – both between neighbours and with local history.

Right, the former gas works form the backdrop of Cody Dock; below, local school children undertake nature surveys, quantifying the dock's abundant species and reconnecting with the river. Images courtesy Gasworks Dock Partnership.



Simon began to build a forum for these ideas with a voluntary effort to clear waste from the perimeter of Cody Dock. The success of the effort and the promise to clear more encouraged landowner Thames Water to give Simon a license to enter the site. Once within the boundary, work began in earnest to engage local people through music and events.



Gasworks Dock Partnership

Simon formed the Gasworks Dock Partnership as a social enterprise in 2009. He sought grants to facilitate outreach programmes, engaging local schools and community groups in activities such as wildlife surveys, river walks and history tours.



Work on the clean-up continued and the Partnership built relationships with LB Newham, the Canal & River Trust and others through events such as quarterly business breakfasts. Gasworks Dock Partnership began negotiating with Thames Water, seeking a formal, long-term access arrangement in exchange for ongoing work to clear the dock.

A lease for the long term

This was no small bargaining chip: site clearance by official estimates was set at £2m. Ultimately, Gasworks Dock Partnership cleared the site for £12k, using a 'many hands' approach with 7,000 volunteers and local businesses to clear waste at cost price. This led to Thames Water granting Gasworks Dock Partnership a 999-year lease on the site for £1 per annum.

The importance of the longevity of that lease can't be overstated. While meanwhile uses add value for landowners and tenants, without a solid legacy, the eventual loss of a productive and valued space – and the work put in by local people and businesses – can leave communities feeling bruised. A long lease gives security that all the hard work is building towards a stable space, created by and for the community for years to come.

Developing the dock

To date, the approach to development on site has been ad hoc and DIY. The site's infrastructure of raised beds, café and workspaces are temporary, movable, and formed of reused materials, all designed and constructed through a combination of professional expertise and volunteer effort.

In curating workspace occupants, Gasworks Dock Partnership ask that would-be tenants of the facilities, moorings and container-based studios demonstrate how their work enhances the Dock or wider area.



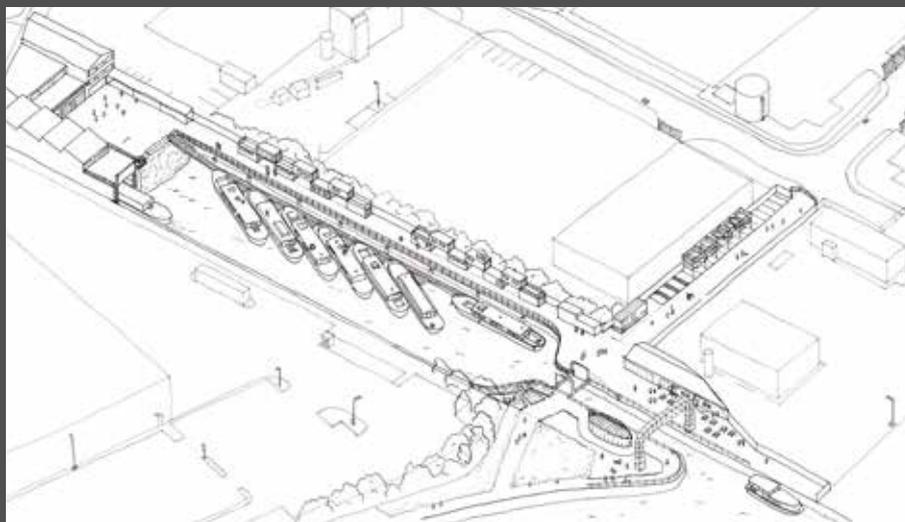
Next steps include a permanent visitor centre, supported by Veolia Trust and London Marathon. Plans are also underway for a rolling bridge: the linchpin in long-term plans to connect the Dock with the new Lea River Park, linking Canning Town to 26 miles of towpath walks along the Lea Valley. Planning permission is in place and the project raised £84,880 through crowdfunding, with a £40,000 boost promised from the Mayor. Ultimately, the funding target was missed, but the aim is to forge ahead, working with a range of corporate partners.

Above, local people have transformed the dock; below, the long lease makes ambitious plans feasible.

The bridge is central to local connections but would also allow boats to enter the Dock for the first time in 50 years. If achieved, this will open the drydock to service London's 4,000+ narrowboats, which currently make costly and polluting trips to Rochester or beyond for basic works.

Sustaining the dock

Today, grants make up 75% of Cody Dock's annual income from funders and corporate partners including Heritage Lottery, LB Newham, Thames21, Sainsbury's and Aecom. Starting from small grants, the Partnership has built relationships and developed a strong track record, now accessing significant sums. The Partnership is moving towards a sustainable model, with moorings and workspace central to the business plan and grant funding tailing off once the bridge and drydock are in play.



8. RECOMMENDATIONS

REALISE THE BENEFITS OF CLH

Local authorities	Understand CLH as a means of delivering additional supply, unlocking difficult sites or tricky heritage areas; helping gain support for ballots; aiding planning committee decisions; and satisfying high level political aspirations: community projects are often 'good news' stories with much wider effects.
Local authorities, housing associations, developers	Make the most of the financial and technical support available to deliver CLH. Recognise that the infrastructure is in place to support new ways of working, minimising outlay for partners.
Groups	Take advantage of the public appetite for community-led development; investor appetite for long-term, investable opportunities and the range of technical and financial support offered by sector bodies and government. Capitalise on the current policy support for CLH, which could change in the future.
Local authorities, housing associations, developers	Embrace the potential of innovative models to deliver better options for renters; support low and middle-income people into ownership; enhance health and wellbeing; meet the needs of older people; bolster competitive advantage on the open market and build sustainable homes.
All	Build relationships: groups' plans are best placed to succeed where they align with public sector goals. Building relationships and starting conversations early will help deliver valuable outcomes for all parties
Local authorities, housing associations, developers	Where goals align, support groups by: partnering on projects; offering or signposting support and training; engaging early to ensure projects meet planning requirements; offering staged payments to ease cash flow; underwriting loans from funders.

DELIVER SOCIAL VALUE THROUGH CLH

Local authorities, housing associations, developers	Be clear about social value priorities and understand how CLH could support these goals by empowering people; building skills and capacity; boosting density; meeting the needs of marginalised groups; delivering additional homes; supporting right-sizing and producing chain benefits
Supporting organisations*	Work with groups to define and articulate the narrative around social value from the earliest possible stage. Social value outcomes can be a key differentiator between the offer from a CLH group and other providers.
Groups	Identify your project's social purpose and ensure this remains front and centre as a guiding principle to generate support from the wider community, politicians and landowners.
Local authorities	Build social value outcomes into contracts to ensure ambitions are realised.

* Supporting organisations include regional hubs and sector bodies.

SHARE KNOWLEDGE AND LEARNING

All	Create and embrace opportunities to connect with other organisations and share lessons learned. Understanding why projects or approaches worked, or didn't, requires input from all parties. Building this knowledge base together will help in identifying replicable and transferable best practice.
Local authorities	Learn from the authorities with schemes coming forward now, understand how CLH in these boroughs supports the council's corporate priorities and the range of options used to make sites available in a way that benefits both parties and the wider area.

BROADEN OUTREACH

All	Work with groups to make CLH accessible to a range of demographics, ages and income groups. Signpost support and funding available for these activities.
Groups	Seek strategies that bring a wide range of people into projects. Work through existing civic structures, go to people where they are, work with supporting organisations and authorities to remove barriers to entry.

EMBRACE CO-PRODUCTION

Local authorities	Be ambitious about the level of community involvement sought in housing projects and regeneration, recognise the value of community support and the skills and capacity co-production approaches can bring in.
Local authorities, housing associations, developers	Support resident-led governance to both empower people and support practitioners working with communities on the ground.
All	'Low floor, high ceiling': make it as easy and as simple as possible for everyone to get involved, without putting restrictions on how sophisticated involvement can be.
Groups	Build partnerships: co-producing projects with established development partners can bring in skills, expertise and capacity as well as help to secure investment and lower perceptions of risk.
All	Speak the same language: strive for plain English, and provide technical training and a wage for community partners to help level the playing field.
All	Align timescales and be realistic about pace.
Local authorities, housing associations, developers	Engage teams early: co-production requires the collaboration of multiple teams within authorities, housing associations and commercial organisations. Creating buy-in across teams including legal, asset management, resident engagement, housing and regeneration will smooth the process.
All	Be clear about who holds decision-making power and be open to new ways of working. Be open and transparent: progress will be smoother if everyone's aware of who is responsible for what, and how different organisations work. Keep shared goals in focus and maintain consistent communication with partners.
All	Start with a blank sheet of paper and come up with ideas together.

ON PLANNING

Local authorities	It is good practice to have a coherent suite of planning documents for CLH. This would include policy in the Local Plan, a bespoke SPD or including a CLH section in a housing SPD, and tailored S106 Agreement templates.
Local authorities	CLH can deliver all housing tenures, though schemes are often below market value or linked to local incomes. Policy should be worded so that CLH is one option for delivering affordable homes, but should not be promoted to the exclusion of other delivery methods.
Local authority development managers	Take time to understand what it is the community wants to achieve through the scheme. A good understanding of the aspiration will help in finding solutions that work for the group, are viable and conform to the principles of policy.
Local authority development managers	A CLH group may have unrealistic ambitions for their scheme. Be prepared to play 'bad cop' but offer timely explanations for decisions taken, maintaining the group's support.

ON LAND

Local authorities	Dispose of land to groups in a way that makes sense for wider public priorities, using CLH as a means of empowering people and delivering social value outcomes while providing additional homes.
All	Realise potential of CLH as part of larger schemes, particularly estate regeneration.
Local authorities, housing associations, developers	Use community-led refurbishment to increase the supply of homes and workspace, providing support, training and increasing employment while reactivating houses and high streets.

ON FINANCE

Lenders	Banks and lenders need to be transparent with groups from the outset. This could involve difficult conversations about their view on self-build or the requirement for a right to sell at market value if the affordable units fail, but it's better to know upfront..
Groups	Understand the position of funders, particularly the lenders who carry the most risk. They need to know they can recover their money in case of overspend or delays and this could mean step-in rights are needed as a fall back. Bring in professional expertise to produce quality financial modelling, reducing risk
All	Work with partners to understand and work through complex and potentially conflicting conditions in loan agreements.
Supporting organisations and government	Education is needed in the financial sector about alternative housing models. As CLH evolves, the availability of mortgages will need to extend to cover innovative schemes such as those tying prices to local incomes.

9. CONCLUSION

Community-led housing is evolving fast, but there are challenges still facing the 80+ groups in London working to make their vision a reality. As partnerships of groups, development professionals, landowners and funders chart this relatively new territory, embracing transparency and sharing frameworks, language and learning will be key to their success.

London is building towards a steady pipeline of CLH projects on small sites across the capital, but many groups have ambitions of scale. The benefits could be enormous: bringing CLH principles into regeneration projects, building support for development, saving time and money, and delivering density, social value and cohesion.

More broadly, the principles of CLH should not be restricted to a small number of London's homes. They serve as a reminder of best practice that has a role in all development.

CLH demonstrates what co-production looks like in the context of housing and regeneration. It is evolving new ways of working across sectors and bringing new actors into the mix. It can help authorities discharge duties set in national and local policy; build community capacity; deliver additional affordable homes; and help councils, housing associations and developers deliver social value outcomes.

CLH is an undeniable asset to London. While it will not be a panacea to the housing crisis, it is raising the bar and showing what people want from the homes they live in. That Londoners have been able to bring their visions forward offers inspiration and a path towards rebuilding trust, showing that the city is truly open.



Image © Joel Chant, courtesy Leathermarket CBS.

10. FURTHER RESOURCES

Advice and resources

Community Led Homes is the national resource hub for CLH. It acts as a single point of access for groups and partners and connects with regional hubs to disseminate support and funding. www.communityledhomes.org.uk

Community Led Housing London is the London hub and first port of call for authorities and groups seeking to develop CLH in the capital. communityledhousing.london

CLH Toolkit: an online resource for local authority and housing professionals. clhtoolkit.org

Best practice reports and guidance

Community First Yorkshire (2019), A Planner's Guide to Community Led Housing, bit.ly/2J9IRBd

Co-operative Councils Innovation Network (2017), Community-Led Housing: a Key Role for Local Authorities, bit.ly/31D4sbQ

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APPENDIX 1. LESS THAN BEST CONSIDERATION

LESS THAN BEST CONSIDERATION

The transfer of assets to community groups is one of the most important forms of support sought by groups and perhaps the most difficult to offer. The pricing of land required in the circumstance of an asset transfer is problematic.

Public landowners must seek the “best consideration reasonably obtainable” for sites, with “value” generally interpreted as cash receivable. Disposals of public land to community-led groups need to be at a lower than market value to make social value outcomes and affordable housing aspirations viable.

Luckily, while generating the maximum receipt from land sales is a valid political choice, it is not a legislative obligation. There is legislation to support disposal in recognition of non-financial value, with the right alignment of policies.

IN FOCUS

The Local Government Act of 1972, which stated that land “cannot be sold for a consideration less than the best that can be reasonably be obtained”. The “best consideration” is commonly understood to infer the most money, but in legal terms “reasonably” is a very pliable word, and considerations are not stipulated as solely financial.

In 2000, the Local Government Act introduced a new focus on improving local areas through consideration of economic, environmental and social wellbeing. The Act was ultimately repealed, but the introduction of these “three pillars” has since echoed in planning policy.

For non-Housing Revenue Account land, the General Consent 2003 states: “Council disposals need to be for the most valuable use allowed for that site”. This gave rise to “Unrestricted” and “Restricted Value”, the former being the highest value a site could achieve, and the latter being value achievable while achieving a specific policy objective.

If the difference between Restricted and Unrestricted values is less than £2million, an authority can proceed autonomously. If it is greater than £2million, the Secretary of State’s approval is required.

The subsequent Planning & Compulsory Purchase Act of 2004 embedded social, environmental and economic wellbeing in planning policy, establishing activity which furthered these outcomes as the sole justification for the compulsory acquisition of land for planning purposes.

The focus is reinforced by the current NPPF’s presumption in favour of achieving sustainable development, through the same three overarching objectives: economic, social, environmental, which are understood to be interdependent and mutually supportive.

In this context, any site could be required by planning policy to balance social, economic and environmental outcomes. With this policy architecture in place, the restricted and unrestricted value of a site could be the same, with all developers expected to achieve the same outcomes.

In this scenario, the playing field would be levelled, allowing community-led groups proposing schemes that aligned with an authority’s integrated planning policy objectives and asset management plans to behave competitively.

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