

**Key Headlines from Housing Plus Academy Community Led Housing Think Tank:**

**Community Building to Deliver Homes**

**29th-30th January 2019**

**1. Community-led housing has distinct benefits**, compared with traditional forms of social housing.

- Projects are **closely linked to the community** so have a good knowledge of local need. It is important projects have buy in from the local community. They can help integrate diverse groups, and generate self-help and local leadership.
- Community-led housing schemes **can use smaller sites and disused buildings** that bigger schemes wouldn't consider. These have the potential to make a big difference if they are added together. Groups are also **able to access exemption sites** which aren't available to commercial builders. Two examples:
  - 27 homes built on an empty garage site on the Leather Market estate in Southwark made a difference to 100 families through a chain effect by housing under-occupying older tenants into the new block, allowing overcrowded families to move to bigger and more suitable homes. They have calculated on the estate that they will have the capacity to build 600 homes on infill sites.
  - Giroscope, a housing charity based in west Hull, has bought and repaired empty properties, adding over 100 rented homes over nearly 30 years.
- **Community-led Housing can tackle more than just housing.** Community-led Housing is a social investment as it can help to ameliorate other social issues. For example, it can tackle social isolation through communal social spaces; providing a homeless shelter run by volunteers, developing a sharing scheme for older under-occupiers and giving people the opportunity to learn new skills. For example, the new build scheme Giroscope are running has opted for the Walter Segal<sup>1</sup> building method so everyone can join in and learn new skills.
- Smaller projects have the **potential to encourage innovation** such as using sustainable building methods. For example Brighton and Hove CLT are using new technology and investing a lot in the actual build of the houses to ensure they are good quality and cheap to run.
- Community-led Housing schemes can help **support the local economy** by using small local contractors.

**2. The government's Community-led Housing Fund** is very useful in helping groups get off the ground. The fund was launched in 2016 for £60 million over 4 years. For this fund to

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<sup>1</sup> The Walter Segal self-build approach to construction is uniquely organised so that anyone who can use basic tools such as a saw, hammer, drill/driver, tape measure, etc. can build a house.

reach its full potential it needs to be extended past March 2020. The lead in time for developing projects and building homes is longer than this.

- The more units that are in the pipeline the more chance there is of the fund being extended but there are barriers which stop groups getting to this stage; they need funding to help them get to this point.
- There are three different parts of the fund:
  - A. Grants for pre-development costs
  - B. Capital grants for building
  - C. Grants that local authorities can apply for to build the infrastructure groups need e.g. an access road
- There is **still a lack of clarity around some aspects of the fund**. For example, it is not clear if community groups :
  - Can you apply now for government funding even if they cannot deliver by March 2020
  - if they have to claim in arrears
- It is not always **easy for groups to understand how the fund works** and establish what help they are eligible for. It is important any problems in accessing it are fed back so they can be improved.

3. Community-led Housing groups are required **to become registered providers to be eligible for capital funding**. The government is working to make this easier, but groups shouldn't delay their application.

- There is a suggestion that groups can join together to become a "group" registered provider to simplify, share skills and save time.
- The fund must deliver 2000 homes which limits the amount that can be allocated to each unit to roughly £30,000.

4. **Lack of funding can be a huge barrier to Community-led Housing groups getting off the ground**. A lot of lenders are risk adverse and hesitant to lend to Community-led housing groups, as the sector is still not seen as mainstream.

- There are different funding options available to groups, some key examples include:
  - The "Reach" process links groups up with expert advisors who can help them apply for funding. They start by giving groups £15,000 to make them "investment ready" and provide support and technical expertise to groups wishing to develop new affordable homes for their communities.
  - The Glendale Gateway Trust, which used a Community Bond Scheme. They asked local people for £1000 for 3 years at no interest with the agreement they would get their money back after 3 years. They raised £128,000, £24,000 of which was converted in grant funding at the end of the loan

period. It helped give confidence to other investors as it showed community buy-in.

New Wortley Community Housing in Leeds received a grant of £74,580 from Power to Change to develop houses on a piece of land which the Council has been encouraging developers to build on for 14 years. There are high levels of deprivation in the area and high demand for affordable housing. The land is being transferred from the council to the association through asset transfer at a peppercorn rate. 5. Community-led Housing Groups will only **grow with significant professional support**. Groups need access to solid expertise to set up projects. The National CLT network aims to build a network of advisors around regional hubs by running a technical support advisory programme that gives people the skills to advise groups on a range of Community-led Housing issues. Their role is to advise groups on how to move forward.

- The Hubs are centres which provide advice for local community-led housing groups to help them develop. Areas with successful well established Hubs such as the South West have more Community-led Housing; nearly 1000 properties have been developed by Community-led Housing groups in the last 10 years the majority of which are concentrated in the South West. For this reason the government is providing funding for the technical support and advisory programme to help the hubs develop. Supportive local Housing Associations is also an important factor in helping groups develop.
- Groups need a good knowledge of each stage of the process (e.g. how long it will take and what funding is needed) and the hubs and advisors can help provide this information.
- The Hubs are sometimes struggling to sustain momentum. They need more stable funding but they also need to become more business minded.

**6. Housing Associations can be useful allies for Community-led Housing groups**, sharing their technical knowledge, helping with infrastructure and developing and managing rented homes. Sometimes those with the highest need have the lowest skill sets. Partnering with housing associations can help provide some of these skills. This can take different forms and there are some useful examples:

- Powerstock CLT have partnered with Hastoe Housing Association. The housing association applied for a grant and loan from the government to fund the houses being built and will manage the houses on behalf of the CLT. The CLT will own the freehold of the community housing scheme.
- Bridport Cohousing is working with Bournemouth Churches Housing Association, who financed half the building costs and rent it out on behalf of the CLT.

7. Some **Community-led Housing advisors have found it harder to establish groups in urban areas** (e.g Surrey Community Action in Guildford). The challenges faced are often

linked to the lack of available land, higher costs and higher mobility despite these areas having greater housing needs.

**8. Local Authorities can be very supportive in helping Community-led Housing groups develop.**

- The process of making an application for land with a local authority is lengthy and complicated in many cases. Local authorities can help by communicating clearly with the groups that are applying and keeping them fully informed of the process.
- Difficulty of land acquisition and planning can present major barriers to small groups successfully gaining permission to build homes. There needs to be a clear policy focus on the value of small sites, coupled with taking sufficient account of the planning complexities.
- Local authorities need clearer information and briefing on Community-led Housing and its benefits, so that they are well informed on how best they can support these groups.

**9. Partnering with other larger Community-led Housing groups can help provide the skills needed for smaller groups to get off the ground,** for example Cornwall CLT will do a lot of the development work for small groups in the area.

**10. There is still very uneven knowledge of how Community-led Housing works and helps.** Examples of good projects need to be written up and widely publicised to encourage more groups to develop in this way. Groups can share learning, including any mistakes they have made. This will strengthen the sector.

**11. Only long-term management plans ensure the sustainability of projects.** Building the houses is only the beginning. Many of the 500 Co-ops established in the 70s/80s, when there was government funding to support Cooperative housing, had failed by the 90s because support was withdrawn. Management and oversight of the overall scheme is vital. If management of the stock is outsourced, groups must ensure that CLH does not 'drift' and lose its community base.

- Groups need to build community engagement into their plan from the start and work out how to ensure that the group can continue e.g. building involvement into tenancy agreements.
- There can be challenges if people are both tenants and the landlord in how you control and manage rent collection.
- Cornerstone Housing has regular meetings which resident agree to go to as part of their tenancy agreement. They have outside advisors attend the meetings to help ensure accountability.

**Action points and recommendations:**

- Groups should lobby their local MPs to put pressure on government to extend the Community Housing Fund.
- Groups should feedback any problems with accessing the fund to government so it can continue to be improved.
- Planners and Local Authorities should receive training on what CLH is and how they can support groups.
- Government should encourage Local Authorities to appreciate the local benefit of Community-led Housing and share examples of good practice.
- Groups need to work as closely as possible with their local authority. Groups should encourage Local Authorities to apply for the Local Authority section of Community-led Housing fund by showing them what they need in the application form.
- Local authorities should support groups in applying for planning and land by making them aware of what is happening at each stage of the process.
- Groups need to learn from each other, to help ensure the same mistakes are not made. Hubs can play an important role in doing this.
- Long term sustainability of the project needs to be carefully planned to ensure the project remains viable and delivers on its original aims.
- Groups need to explore a range of funding options.
- Groups need to become less reliant on grant funding i.e. build for market sale