

## The Labour Party Green Paper, Housing For The Many consultation Submission from National CLT Network

### About the National CLT Network

The National CLT Network is the charity for Community Land Trusts (CLTs) in England and Wales, which supports and promotes the work of CLTs. CLTs are non-profit, community-based organisations run by volunteers that develop affordable housing or other assets that meet the needs of the community, are owned and controlled by the community and are made available at permanently affordable levels. The statutory definition for CLTs was enshrined in the Housing and Regeneration Act 2008, brought in by the last Labour government.

There are now almost 290 Community Land Trusts in England and Wales, and the sector has grown six-fold in the last six years. The largest Community Land Trusts have over 1000 members each. Community Land Trusts have developed 840 permanently affordable homes to date. CLTs are part of a broader Community Led Housing (CLH) movement, which also includes housing cooperatives, cohousing, self-help housing, community anchors and some tenant management organisations. The CLH movement is working to develop an additional 5,810 homes in the next five years.

The nature of the housing crisis requires us to use a range of approaches to curb unaffordability, to boost house building and to ensure we are building and using housing in a way that meets the needs of communities across the UK. Community led housing is one such way, and is steadily becoming a viable housing solution that more and more councils are looking to.

Community led housing can help achieve many of Labour's objectives for housing, including social housing. It:

- **Provides genuinely affordable homes to rent and buy** - For example, LILAC, a co-operative cohousing project and the UK's first Mutual Home Ownership Society, provides 100% permanently affordable homes where all members pay 35% of their net household income to the Society each month. London CLT has provided 23 homes for sale in inner London, at prices that ensure that the annual housing cost will be no more than one third of median income in that area (currently £31,378). A two-bedroom flat sold for £181,111, compared to the average price of a two-bedroom flat in Tower Hamlets of £471,080;
- **Delivers additional supply that would not be available through the mainstream** - Community led housing organisations are frequently able to overcome development constraints that defeat established housing providers. Where they re-use existing buildings and empty properties, they are willing to work on properties that larger organisations view as too difficult or expensive to address. In some cases (e.g. East Cambridgeshire District) community led housing has been identified as the primary delivery mechanism for affordable homes, as local communities have become so resistant to development by mainstream providers. They also frequently develop at densities higher than were originally planned for the sites<sup>1</sup> and develop on smaller sites bigger providers are not interested in;

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<sup>1</sup> For example, RUSS CLT in Lewisham are building 33 1-4 bedroom homes on a site originally planned for 3 – 6 private houses. St Ann's Redevelopment Trust (StART) in Haringey want to turn a site originally planned for 470 homes, of which only 14% would be affordable, into an 800 home site with 100% affordable.

- **Mobilises popular support for new homes** – Community led housing demonstrates a unique ability to mobilise popular support for housing growth, able to build support amongst interest groups as diverse as landowners, conservationists, employers and communities themselves<sup>2</sup>. This is because community led housing is led by the community and trusted by the community;
- **Empowers tenants and residents** – Community control is a core principle of community led housing. Community led housing is more than 'tenant voice'. When communities are stewards of local homes in this way, personal agency is increased, community cohesion improves and local economies are strengthened;
- **Helps diversify the house building industry and enables innovation** - Community led housing groups are small and medium sized house builders, and important customers to other SME builders and developers. It is also where much of the innovation in housing occurs, as communities develop products that are not being provided by the mainstream;
- **Provides choice for older people looking for a mutually supportive community in later life** - There is increasing popular interest in Cohousing as an alternative to the limited market choices for older people. Cohousing creates the opportunity for mutual support, thereby addressing issues of loneliness and isolation, and suggests reduced dependency on social care.

In our response to the Green Paper we have included more suggestions and case studies where community led housing has been successful in addressing some of the toxic elements of the housing crisis.

### **Q1 Do you agree with Labour's new affordable housing definition? What weight should a Labour Government give to the components of our programme: social rent, living rent, and homes for low-cost ownership?**

We are pleased that Labour is approaching affordability with a number of models. CLTs have implemented all three of the models mentioned in the Green Paper, and pioneered the development of low-cost home ownership where house prices are permanently fixed to local incomes. We believe there is a role for local communities to determine the right mix of affordable housing. Through informal means and through housing needs surveys, they are often able to identify needs not easily captured in a national-level policy. For instance, some CLTs are helping older residents (including home owners) to downsize, freeing up family homes and helping to address issues such as fuel poverty, loneliness and a declining village school numbers in the process.

Case study: Rural Urban Synthesis Society (RUSS) will build 33 one-bedroom to four-bedroom homes, which will have social rent, living rent, shared equity and shared ownership housing. The site was owned by the local council, which would otherwise have sold it to a private developer who would most likely have built a handful of 3-4 bedroom market houses. The balance of type of housing will be based on their survey of local need. RUSS is based in south London, and has involved a large cross section of its very diverse local community in developing its approach to affordability. Using a multitude of models will encourage community cohesion and will look to build community in a city that is becoming more divided due to growing housing inequality.

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<sup>2</sup> For example, on Dartmoor, Christow CLT's scheme of 18 homes achieved planning consent with no objections; so unusual for a new housing scheme in the National Park that Dartmoor National Park Planning Authority is now encouraging the creation of CLTs elsewhere.

Case study: Heart of Hastings CLT, located on the southeast coast, the region is in the countries' top 1% of deprived areas. Local people decided to take matters into their own hands when they started to struggle to keep up with increasing property prices, while noticing properties sat empty and unused. Through their White Rock project they are revamping properties using local traders and putting them them back on the market at a rental rate that reflects local income.

One consequence of this innovation has been restricted consumer choice in the mortgage market. Currently, only a handful of lenders have lent against income-linked products, and a small number have lent on forms of home ownership where the affordability is fixed in perpetuity. We are working to bring more lenders on board, and would welcome working with the Government on this matter. We would like the Government to consider a guaranteed buy-back scheme on mortgage products that incorporate a 'perpetuity' arrangement to encourage lender participation. This is supported by the Council of Mortgage Lenders and the Building Societies Association.

**Q2 Do you agree with our proposal to scrap public funding for so-called 'affordable rent' homes priced at up to 80% of market rents?**

We believe that funding should be directed to housing that is genuinely affordable for those who will live in it. Many CLTs have started out of frustration with the unaffordability of Affordable Rent, particularly in the south of the country.

We therefore agree with the proposal to scrap this funding. We would like the Government to ensure it is providing adequate funding for forms of rented housing that meet local needs, which should include social rent housing and other forms such as 'living rent' (tied to median incomes) and new approaches that CLTs devise. For example, Oxfordshire CLT is exploring using the Joseph Rowntree Foundation's minimum income standard as a benchmark for rents. We hope the Community Housing Fund will provide such flexibility, and would like a Labour Government to continue in this vein.

**Q5 How can Labour ensure appropriate powers and funding to build more affordable homes in all parts of the country?**

We agree that when it comes to providing housing we need, action that doesn't just come from Whitehall, but also locally through strategic partnerships (p17).

While we welcome the Green Paper's commitment to continue the Community Housing Fund, we believe there are opportunities for community led housing to deliver more affordable homes than the paper recognises, and in a way that meets the very diverse needs found across the country. For example, Community led housing groups are refurbishing empty homes in low value markets in Liverpool and Sunderland; building new affordable homes in areas of outstanding natural beauty and other protected areas in Dorset and Cumbria; building homes affordable to local workers in second home hotspots like Cornwall and Northumberland; and building new infill homes in dense city areas like London and Bristol, including on council estates.

Case study: The London Deputy Mayor for Housing recently spoke at the opening of 27 new social rent homes built by Leathermarket CBS, a CLH group set up by a Tenant Management Organisation. Many of

the tenants moving into the homes are moving out of under occupied or unsuitable homes elsewhere on the estate, and a large number of residents got involved with the detailed decision making and design work on the project, ensuring near-unanimous local support. The homes were built on underused garages on the estate, which is council land, and were part-funded by the council and GLA. The Deputy Mayor and local councillors spoke about the benefits of communities and councils working in partnership, achieving more in this way.

In doing this, community led housing groups are also winning and mobilising local support for new affordable housing, and empowering local residents. For example, a programme supported by the Welsh Government is creating the first housing co-operatives in the country, giving tenants more control over their homes and lives.

We welcome the commitment to the Community Housing Fund. In the medium term we would like to see all government funds for housing be designed with the flexibility and proportionality to be suitable for community led housing groups.

Government at all levels, and especially sub-national, can develop strategic relationships are developed with community led housing groups, and help broker relationships with housing associations and other key local partners.

The Cooperative Councils Innovation Network (CCIN) are changing the way local authorities engage with local residents. They aim to encourage local authorities to work with rather than for the local community, to build relationships rather than have a top down approach. They have developed a suite of case studies and a technical toolkit to help officers understand and implement policies to support collaboration with CLH groups. Additionally, they have published a report detailing some of these examples, which acts as a toolkit. The Labour Party could promote this at all levels of Government.

The Green Paper contains many examples recognising the role that housing associations can play; we would like to see the Labour Party recognise that community led housing groups can also play this role.

**Q7 What additional measures could a Labour Government take to get councils, housing associations and others building more genuinely affordable homes?**

Community led housing groups, like other new entrants into the housebuilding market, struggle to buy land. This is a major impediment, particularly in urban areas with expensive and competitive local markets.

The Mayor of London launched Small Sites, Small Builders, a programme that disposes of small plots of land publicly-owned land on long leases in a way that is accessible to small and medium-sized builders and CLH groups. In the first pilot, two sites (in Lambeth and Tower Hamlets) were earmarked specifically for Community Land Trusts. London CLT won the bid for these sites and will now build 70 genuinely affordable homes, sold at prices linked to local incomes. We would like to see other public authorities study this programme and devise their own approaches that bring sites to market in a way that is accessible to CLH groups.

CLTs offer a unique opportunity for public bodies to lock in a local community benefit when disposing of assets. The statutory definition of CLTs ensures that they use assets for the wellbeing of their community, and that they are democratically governed with membership open to anybody living or working in the area. Any subsidy, whether in the form of a below-market value disposal or other grant, will therefore be held in trust for local benefit, with a strong asset lock.

The Government should therefore strongly favour disposals to CLTs over other approaches where disposal is considered. It should also support the creation of schemes similar to the GLA's Small Sites, Small Builders programme to ensure that assets are disposed in a way that supports the delivery of genuinely affordable and community led housing. This would be a sustainable long term solution that would benefit communities getting left behind in the current housing and rental market.

We welcome the Green Paper's proposal to suspend the Right to Buy, and urge the Labour Party to commit to ending the implementation of the voluntary Right to Buy. If it is continued, we would like the Government to clearly exempt CLTs. Currently there is "discretion" for CLTs not to offer tenants the right to buy, which is reflected in the voluntary deal negotiated with the National Housing Federation. But this still leaves ambiguity that has put off some landowners and CLTs from progressing projects, and is a particular concern for CLH groups that seek to become Registered Providers.

We also urge that CLH groups are exempted from any ban on leasehold houses and ground rents. The current Government has recognised that an exemption to the leasehold ban may be required for CLTs, which use leasehold to preserve the affordability of homes in perpetuity. We would welcome a strong commitment from the Labour Party on this. The exemption should extend to Cohousing, which uses leasehold to the same end and for the community ownership and management of shared spaces. In addition, CLTs and Cohousing groups must have the freedom to charge reasonable ground rents. A ban on both would significantly restrict the supply of homes supported by the Community Housing Fund.

**Q8 Do you agree with Labour's proposal to set up an English Sovereign Land Trust? How else might Labour make more land available, more cheaply, to build genuinely affordable homes?**

Many CLTs in rural areas have succeeded in building genuinely affordable housing because the Rural Exception Sites policy in effect provides a means to buy land without the planning gain of residential land priced in. In countries like the Netherlands and Germany, with different planning systems, it is common for local authorities to assemble sites and then work with community led housing groups to build out parcels of the land.

We support the proposal and encourage the Labour Party to consider how the English Sovereign Land Trust might work with local community led housing groups to bring forward sites at prices that would support their delivery of genuinely affordable housing.

Case study: Icklesham Parish Community Land Trust. They built six houses and now rent them at affordable prices on a Rural Exception site in Whitsbury, New Forest. The site was "steeply sloping" making it difficult for private developers and the local council to build on. The CLT was able to put the land to use.

Case study: St Ann's Regeneration Trust (StART) began as a community campaign opposing an outline planning permission for 400 homes on a former NHS site in Haringey, of which just 14% were planned to be affordable. They established a CLT and devised plans for 800 homes, 100% affordable, and won widespread local support. The GLA has now purchased the site and is liaising with StART on the development of the site. While we do not yet know the outcome, the case illustrates the role that the English Sovereign Land Trust may play in bringing forward sites and working with CLH groups.

**Q9 How can Labour ensure that estate regeneration maximises affordable housing and improves local areas, including in low demand areas?**

Regeneration can be contentious for local communities for a number of reasons, including: lack of community involvement in shaping the new housing, being priced out and homes that aren't fit for purpose. Community led housing mitigates against NIMBY attitudes, can curb gentrification and ensure housing meets local needs. For example, residents of the West Kensington and Gibbs Green estates, which was threatened with demolition as part of the Earls Court scheme, launched the People's Plan<sup>3</sup> for their community which demonstrates that new homes and improvements can be achieved without demolition.

West Kensington and Gibbs Green are two adjacent estates in the London Borough of Hammersmith & Fulham. The estates contain 760 homes and close to 2,000 residents. Over 600 residents from two thirds of households are members of West Ken & Gibbs Green Community Homes Limited (WKGCH), the company set up by residents to take over the ownership of their estates. The Members have elected a Board which is made up of 14 residents and 4 housing experts. The Board meets every couple of months to progress its founding aim, which is to improve the neighbourhood and save the estates by transferring them into community ownership under resident control.

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<sup>3</sup> "The People's Plan - West Ken Gibbs Green - WordPress.com." <https://westkengibbsgreen.wordpress.com/the-peoples-plan/>. Accessed 26 Jul. 2018.