

Policy brief, summer 2023

We have identified three levers the Government could pull to empower communities to get on building affordable homes and other needs, and incentivise local communities to accept good development.

1. Amend the National Planning Policy Framework

The Government recently consulted on changes to the NPPF including introducing a definition of community led development. It asked how else the NPPF could support it.

[We submitted a detailed response](#) with a number of 'policy acupuncture' proposals to weave community-led development into the NPPF. The most impactful proposals would enshrine that communities have a 'right to grow' – that if a democratic and not-for-profit local community organisation proposes affordable homes to meet identified need, the planning should facilitate rather than frustrate this by:

- Giving great weight to the community-led development of affordable homes in protected landscapes, balancing this evident need with the protection of those landscapes.
- Introducing 'community-led exception sites', based on a successful policy in East Cambridgeshire, giving permission in principle to community-led development on certain unallocated sites, subject to safeguards.

2. Extend the Neighbourhood Share of the Infrastructure Levy to unparished areas

Currently, parish or town councils with an adopted neighbourhood plan receive 25% of Community Infrastructure Levy monies. But two-thirds of the country is unparished, and the Government has consulted on how the new Infrastructure Levy might fix this.



[We put in a detailed consultation response](#) describing how secondary legislation could enable properly constituted Community Land Trusts to receive this money. They are already defined in law in a way that enshrines democracy, accountability and a duty to use the money to further the social, economic and environmental sustainability of the local community. The definition was introduced in 2008 precisely to provide a standard format for a participatory asset-owning community body to play this sort of role, alongside the representative function of the local council.

This change would channel significant investment into community-led development, and further incentivise communities to support private sector-led development with this spillover benefit.

3. Reinstate the Community Housing Fund or reform the Affordable Homes Programme

The most significant barrier for the 900-or-so community-led organisations trying to build (or convert, or renovate) homes is the lack of risk capital to acquire the site and obtain planning consent. There are a small number of social lenders offering this but the finance is expensive and doesn't meet the full extent of demand.

The Government has a £12bn Affordable Homes Programme. But undercapitalised community-led organisations are unable to access this without the site and planning consent. It is tantalisingly out of reach. The Community Housing Fund fixed this by providing revenue grants for the pre-development stages of projects. This should be reintroduced, or integrated into the AHP as a standard feature for smaller providers.