

CLTN SUBMISSION TO LONDON ASSEMBLY HOUSING COMMITTEE

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CLTs IN LONDON

Community Land Trusts (CLTs) are a democratic community-led approach to the stewardship and development of land, and of the assets on that land including housing. Their localised, participatory governance complements and reflects the larger-scale, representative governance of the London boroughs and the GLA; all three share the same duties to serve the social, economic and environmental wellbeing of their communities.

The growing interest among Londoners in CLTs - and other forms of community led development - reflects a desire to have greater agency, control and ownership over development. While the priority of many Londoners is to get a roof over their heads, a sizeable proportion would also like to be more than passive consumers and consultees. They would like to control the management of their homes; to codesign schemes for small sites and significant regeneration; to make different and sometimes innovative choices about the kinds of homes and communities that are built; to steward land and homes so they can achieve development without displacement.

Community led development, and self commissioned housing, is far more commonplace elsewhere in Europe and North America. In some countries and cities it is the default form of affordable housing, and a significant part of the private market. In some, such as the Netherlands or Barcelona, it has been fostered as part of a deliberate strategy to scale it up from a low base. But in London it has remained a tiny niche. While support from the GLA and some London boroughs in recent years has been welcome, this has for the most part been at the margins - offers of small, difficult sites; short-lived funding schemes; allocations in larger developments, but not repeated or systematised as an approach.

Nonetheless, activity in recent years has developed practice, skills and a body of expertise that could now be translated into mainstream practice. All Londoners - of all incomes and from all backgrounds - could be given new options to collectively design, own or manage their homes, workspaces and other assets.

ACHIEVING SCALE

Recent development of community led homes in London has taken three forms, each of which offer the potential for scale:

1. Developing small sites.
2. Allocations in larger sites.
3. Acquisitions of existing homes.

But to achieve scale, the GLA needs to move from a mentality of CLH being lots of small individual projects. There is no other city or country where CLH-at-scale operates with this model.

Last year we developed a long-term strategy to scale community led housing, and discussed it with ministers in September. It is being actively considered by the new government. It was based around three interlinking proposals:

1. Developing a cadre of intermediary delivery bodies capable of identifying replicable models within market contexts (e.g. London's, or the rural South West), and working with communities to deliver these. London has an emerging market of these in eg CLH London, London CLT and RUSS.
2. Improving access to finance for these intermediaries including loans, equity and grant.
3. Reforming policies for planning, housing grant, asset disposal, estate regeneration, and at the national level legislation e.g. around planning and leasehold, to create clearer opportunities for CLH.

Developing small sites

The first scalable approach is developing small sites. Historically these have come about through significant amounts of community campaigning, sometimes around inappropriate sites, but are increasingly being proactively put forward by councils.

So far these have begun with a competitive bidding process, usually requiring communities to develop architectural proposals that are financially viable, technically feasible and acceptable in planning terms. Groups must raise the finance to make bids,

and then to take their scheme through planning, negotiate the legal agreements and then build out with contractors.

This is an extremely complicated process that requires a great deal of expertise, free time, and access to finance. Pioneers like RUSS and London CLT have achieved amazing results, and subject to viability have been able to meet a range of affordable housing needs. They have also demonstrated that CLH can defuse local concerns and win local support for infill development, even on potentially controversial sites, with planning applications often attracting many times more supportive comments than objections.

The City of Barcelona has taken a different approach to the same opportunity. Starting from a low base, it identified viable sites with the potential to build 1,000 homes; created a partnership with co-operative organisations providing finance and development services to build these out; and worked with the same partners to invite proposals from community groups for each site, moving from an initially competitive bidding process towards a more collaborative approach to allocating sites to meet a representative range of needs across the city. Groups formed into cohousing communities or tenant co-operatives, which were then supported by the partnership to develop the sites. The land sits in a CLT, leased to each community.

The difference here is that the city created a partnership to do all of the heavy lifting, and invited communities to then bring their local knowledge and preferences into the process. You don't need to become a one-off amateur developer to create your community.

We would like to see this sort of approach developed in London. It could build upon the capacity already existing in organisations like CLH London, London CLT, RUSS and CDS Co-operatives, and perhaps borough housing companies.

The GLA and boroughs need to address the following barriers to make this a more workable and commonplace option:

- Moving the bar for bids, focusing on the outcomes and design considerations rather than requiring architectural proposals and financial appraisals.
- Standardising the approach as much as possible, for example using the GLA's Small Sites Small Builders framework, and more strongly encouraging boroughs to use the same legal templates for agreements to lease, leases, etc.
- Ensuring all Affordable Homes Programmes offer flexible revenue and capital funding, learning from the Innovation Fund and Community Housing Fund, and ensuring there is officer capacity to engage with this efficiently.

- Fostering new partnership opportunities eg with a borough housing company, or housing associations, or SMEs, in a Barcelona-style citywide framework, to do the heavy lifting for communities that lack this capability themselves.

Allocations in larger sites

The second approach is the allocation of homes for community organisations in larger sites. The GLA responded to CLT-led campaigns to broker 23 homes for London CLT in St Clements and 58 homes for Gida Housing Co-op in St Ann's, and more have been promised but not delivered e.g. for East Wick and Sweetwater following a longstanding pledge for the Olympic Park made by Ken Livingstone, Boris Johnson and Sadiq Khan.

This could be a much more straightforward process, setting a lower bar for Londoners to create collective housing solutions in every major development. Developers and landowners could work with CLH London to form interested groups around opportunities, factoring in the types of homes, tenures, and opportunities for future residents to codesign the homes rather than just buy 'off plan'.

There are a number of practical barriers that need to be addressed:

- Ensure purchase prices and terms are workable; the GLA could look to standardise these.
- Avoid requiring CLH landlords to become Registered Providers (RPs) if they are providing a small number of rented homes by structuring grant sources and cross subsidy such that GLA capital grant is not needed for those homes, and if RP status is required then ensuring time and flexibility to acknowledge the complexity of registering with the regulator or partnering with an existing RP in ways that retain community control.

On RP status, we would point to the approach taken by Bristol City Council when providing capital grants to non-registered providers. Grants are subject to providers meeting their [governance, finance and management standards](#). These are based on the Regulator for Social Housing's standards but with a lighter touch and an emphasis on self-certification.

Related to the allocation of homes is the overall stewardship and management of large sites. The Competition and Markets Authority recently published a [market study into housebuilding](#) in which it criticised the private management of estates as detrimental to consumers, and recommended this practice be ended. The Labour government also committed to end the 'fleecehold' estate charges in its manifesto.

While adoption by boroughs was recommended by the CMA, there are other similarly democratic options available including CLTs that could be promoted or become a planning requirement. Londoners should be in control of the management of their homes, common parts and community facilities. CLTs ensure they are able to do so democratically, and with a duty to use those assets to further the social, economic and environmental wellbeing of the community. They are recognised in law and have unique exemptions to charge residential ground rents in the furtherance of this option.

The GLA created a close cousin to this at St Clements in the Ricardo Community Foundation, which owns the freehold of the site and works with the Resident Management Company (RMC) for the site. But as it is funded through ground rents, it could not be repeated unless the governance were altered to make it a CLT. There are also lessons in the way the RMC was created, with London CLT playing a key role, and lessons in the handover to residents which has still not been completed.

Acquisitions of existing homes

CLTs and other community groups in London and across the UK have acquired existing homes through a number of routes:

1. Walterton & Elgin Community Homes exercised the Right to Transfer to acquire their two estates from Westminster Council in 1992.
2. A number of groups such as Habitat for Humanity GB and PHASES have bought empty homes, including through the £50m Empty Homes Community Grants Programme 2011-15, which did not require groups with rental homes to become RPs.
3. Outside London, some housing associations have sold homes to CLTs and helped them to refurbish them rather than selling them at auction, to keep them in circulation for those in housing need, using funding from Homes England and more recently with the Local Authority Housing Fund for refugees.
4. Using the same funds, some groups have bought poor quality private rented housing and refurbished it, often providing training and apprenticeship opportunities for future tenants.
5. Tonic was offered a £5.7m loan by the GLA from the Community Housing Fund in 2021 to buy 19 shared ownership properties at Bankhouse, a Riverside older living scheme in Vauxhall, Lambeth.

More recently, CLH London has developed a model with a number of start-up co-ops to acquire homes and give private renters more control and security, and gradual affordability over time, whilst ensuring others benefit by focusing on scale and growth at an organisational level above the day-to-day management of homes.

The GLA could make more use of loans, and grant schemes such as the Right to Buy-back fund, to support this approach. Acquisition is considerably easier for Londoners, and for the lenders looking to support it, than development. CLH is an effective way to steward and manage affordable housing.

RECOMMENDATIONS

For the GLA

1. Amend the London Plan, and make it a condition of GLA land disposals, to introduce a requirement that all schemes with management arrangements create community led stewardship arrangements which those living and working in the area are able to jointly own and control, ideally meeting the statutory definition of a Community Land Trust to enshrine democracy, an asset lock and a duty to local wellbeing.
2. Amend the London Plan, and make it a condition of GLA land disposals and Estate Regeneration funding, to require that schemes with more than 200 homes make provision for community owned or managed assets, including but not limited to housing.
3. Support community led organisations acquiring existing stock with equity loans and grants, including the Right to Buy-back fund and any recycled capital from the Community Housing Fund.
4. Reform the Affordable Homes Programme to make available revenue funding for innovative housing schemes as a standard feature, based on successes with the Innovation Fund and Community Housing Fund.
5. Renew and make permanent the community led housing officer role in the housing team, to ensure the GLA retains a specialist knowledge and has dedicated capacity to engage the sector.

For London Boroughs

6. Dispose of more viable small sites to community led developers, and either use the GLA's Small Sites Small Builders framework, or adapt LB Camden's simple Expression of Interest process, to avoid placing too great a burden on communities or causing costly delays e.g. in legal negotiations.

7. Boroughs with housing companies should consider developing a portion of their pipeline in partnership with communities, handing ownership and/or management to residents/communities.

For national government

8. The government should support the GLA's reforms to the Affordable Homes Programme, ensuring there is a revenue component to support innovation and diversification.
9. The current NPPF consultation represents an opportunity to support our proposals for the GLA and London boroughs. We have published our draft full response with further details¹, but would highlight in particular:
 - a. Expanding community-led exception sites to apply within urban areas, which will help small site delivery;
 - b. Amending the definition of 'affordable housing for rent' in the Framework glossary so it no longer implies a requirement for RP status, which will help allocations in larger sites;
 - c. Expand the proposed Community Right to Buy in the Devolution Bill to empower communities to buy assets with any existing use if they can, through development, further the sustainable development of that community, and explicitly align these powers with the spatial strategy Local Plan, which will help acquisitions of existing homes and other assets, as well as redevelopment in small site projects.
10. We would also suggest that the government should include a clause in one of its forthcoming bills to amend the requirement in the Housing and Regeneration Act Section 31(2) that Homes England and the GLA must ensure that landlords being given capital grants are registered providers. We believe the GLA and Homes England should have discretion to award capital grants to other non-registered providers, as is the case for London boroughs, and exemplified by Bristol City Council's approach.

1

<https://www.communitylandtrusts.org.uk/news-and-events/our-draft-response-to-the-2024-engli-sh-planning-consultation/>