CCIN Housing Commission on community-led housing

Summary of findings of Rochdale Evidence Session 29.09.2016

1. Introduction

The first evidence session of the Housing Commission was held on 29 September 2016 in Rochdale. The objectives of the evidence session were to identify:

- challenges and barriers for community led housing groups in respect of engagement with local authorities
- challenges and barriers for local authorities to engage with and support community led housing groups
- policy responses or strategies that can be adopted by councils to respond to these challenges and barriers
- case studies that could be followed up as examples of good practice
- views on what the products of the Housing Commission should be
- tools/materials/resources of practical use to local authorities to support and encourage community led housing – to shape HACT's project to develop a toolkit.

29 people attended, including representatives from community-led housing schemes (self-help organisations, cohousing groups, a housing cooperative and a community gateway cooperative), councils, support agencies and policy experts (Appendix 1).

Three themed discussions were each preceded by a presentation (agenda is at Appendix 2):

1. **What are the challenges and barriers to the development of community-led housing schemes?**

   Presentation: Nic Bliss, Head of Policy at the Confederation of Co-operative Housing – 'Developing community led housing and local authorities'

2. **How have challenges and barriers been overcome? What opportunities are there for developing or supporting new schemes?**

Presentation: John Rooney, Head of Housing, Response Services and Districts, Oldham MBC - 'A Co-operative approach to working with communities on housing development'

3. **What should the products of the Housing Commission be?**

Presentation: Sally Thomas, Head of Communities, HACT – 'A toolbox for community-led housing'

2. Headline points raised

What success would look like

- Community Led organisations are more powerful
- Communities work with local authorities on developing housing
- Local authorities see community led groups as true partners
- The case for Community Led Housing is communicated to all local authorities
- Best practice to suit various housing markets is made available and the means to support its implementation is identified

Challenges

- David versus Goliath – most local authorities prefer to go for one big contract to deliver large-scale development over several smaller contracts with CLH groups
- No clear process or route, no identified person for CLH group to talk to in local authorities
- Short-term need for revenue can lead local authorities to liquidate assets, rather than transfer them to CLH groups to aid development
- Lack of understanding and awareness of the opportunity and potential of CLH groups as possible partners – and the wider social benefits they bring
- Lack of time and resource in local authorities to learn about CLH – and loss of detailed knowledge through churn of staff

Ideas for Action

- Products: a knowledge bank website, technical toolkit and templates
- Practice:
  o Area support networks to link inexperienced officers to pioneer authorities
  o Designated roles for cabinet member and chief officers, targets in JDs, KPIs
  o Charter for local authorities setting out guiding principles
- Plans: each council to deliver a test site - e.g. of 25-30 homes
- Policy: each local authority's housing strategy to contain a CLH element
- Identify a national or local government champion for CLH and the toolkit

3. Detailed findings

1. Challenges and Barriers

Challenges and Barriers for Community-led Housing

- David versus Goliath – most local authorities prefer to go for one big contract to deliver large-scale development over several smaller contracts with CLH groups
- No clear process or route, no identified person to talk to in local authorities
- Difficult to replicate the skill set – a replicable model is needed
- Access to land, properties and finance; achieving affordability without grant – need alternative subsidy – e.g. asset transfer.
- Support for community leaders/finding the right community leaders who can keep the group motivated
    - Understanding practicalities – legal issues, finance
- Nomination and allocation rights – CLH concerns around synchronising these with local authority priorities
- CLH pilot schemes tend to be in small rural areas where people don't want developments or sites where anti-social behaviour is a problem

Challenges and Barriers for Local Authorities

- Land values (different housing markets) leading to pressure on local authorities
- Short term need for revenue can lead local authorities to liquidate assets, rather than transfer them
- Risk aversion – concern that CLH may not enable councils to house the most needy
- Lack of understanding and awareness of the opportunity and potential of CLH groups as possible partners – and the wider social benefits they bring
    - CLH sector – a developing and emerging system, fragmented and unclear
    - Lack of knowledge of who to engage within the CLH sector
    - Rapid innovation at grassroots level is hard for councils to keep up with
- Lack of time and resource to learn about CLH – and loss of detailed knowledge through churn of staff
- Nervousness about developing housing models vulnerable to Right to Buy (RTB)
- Concern about the amount of staff time will need to be invested if CLH will only deliver small numbers of homes
- Lack of an evidence base – many delivery routes are untested

2. How barriers can be overcome

- A 'viral' good practice agenda – pioneers spreading the word to other leaders
- Streamline the process to support efficiency
- Share area-based expertise in local authorities across a sub-region (e.g. GLA or combined authority)
    - Second a person from CLH sector to a council for one day per week to act

as a bridge, liaising and sharing good practice
- Housing strategies should contain a CLH element
- Encourage all local authorities to designate a site or work with a partner with a community-led brief to deliver test site to build a strong evidence base
- Councils should use their strategic role to encourage large housing associations towards including CLH in larger developments
- Business advantages of CLH should be communicated to councils
  - CLH can get housing built that might not otherwise be developed
  - CLH groups have local knowledge that larger housing associations have lost
    - Phases scheme returned to use empty home in Brockley that was too difficult for a housing association
    - Back on the Map – legacy enabled them to take over 67 alms-houses and borrow against this asset
- Local authorities can support CLH with asset transfers, interest free loans, RTB receipts, property leases, gap funding of pre-development and development costs

Examples
- Loans
  - Leeds CC: s.106 funds used for £200,000 interest free loan to Canopy to refurbish seven long-term empty homes
- Grants by stock holding authorities
  - Leeds CC: RTB Capital Grants Funding Initiative uses RTB receipts for grants to CLH for 30% of cost to develop new homes/refurbish existing ones
  - HRA borrowing is used on CLH by Derby and Lambeth (Somerleyton Rd CLT)
- Asset transfer
  - Liverpool CC: asset transfer at nil value of long term empty homes in Granby to various partners including CLT for refurbishment to provide affordable rent and home ownership.
  - Leeds CC: 99 year leases of 13 properties to Leeds Action to Create Homes at a peppercorn rent, enabling LATCH to borrow £494,000 against them to add to a loan against their other stock to buy long term empty homes.
  - Leicester: 13 acres transferred for £1 to Saffron Community Homes which build 20 homes; 60 homes were built with East Midlands HA
- Networks to support projects to succeed:
  - Birmingham CC, Redditch BC
  - Hull CC brought together six voluntary organisations previously delivering empty homes community grants programme; hold regular meetings so all know latest on empty homes
- Targets:
  - In Job Description objective of CEO of East Cambridgeshire DC
  - In housing strategies of Redditch BC and Welsh Government

Three local approaches:

a) Leeds City Council approach
- Strong political support demonstrated at senior level. Chief Executive Tom Riordan is a former care leaver and has supported Gipsil which works with care leavers.
- Recognises that social enterprises (e.g. Gipsil and Canopy) have an important role to play in returning Council owned empty homes to use with added benefit of giving young people, unemployed and homeless people new skills through renovating homes
- LCC supports organisations with land and finance (asset transfers; leases; 0% interest loans, grants of RTB receipts – see examples above). The Council has not been concerned with achieving an immediate financial return – sees it as a win-win if they get housing for the community.
- Strength of CLH movement has led to setting up of Leeds Community Homes, a community benefit society since 2015 that launches a £350,000 community share offer on 17.10.2016 to support development of permanently affordable homes to rent and buy.

b) East Cambridgeshire District Council approach
- Has a political champion of CLH
- Adopted a commercially-minded approach to the area – being near Cambridge it could offer affordable housing 10-15 miles from the city centre.
- Has adopted CLT as its preferred model for villages; includes a requirement for two CLTs per year in the Chief Executive's job description
- Has a 0.5FTE job at the council to develop and support CLH
- Has developed a bespoke financial model for the area and provides access to other loans.
- Has set up its own house building company and CLTs do not have to raise too much capital themselves until people start buying or renting.
- The Local Plan has a Supplementary Planning Document to give people a better understanding of how planning applications for community-led development proposals should be prepared and assessed by the Council.

c) Oldham MBC approach: not just about 'community-led' but community-focussed
- Oldham MBC wants to retain existing social homes but support a greater range and choice of housing for the future including access to home ownership.
- Approach is based on understanding local markets and residents' wishes and aspirations, and pro-active work with investors, developers, partners and communities
- Disposes of large areas of land near council estates, working with housing providers to achieve tenure diversification and ensure deliverability, quality and local economic benefit.

- **Co-operative approach to regenerate estates** – neighbourhood co-operative agreement between council, residents and developer partner to improve the environment, housing, recreation and employment opportunities. Resident consultation identifies aspirations and informs design. Parcels of land are sold for new private housing; affordable rent homes built, existing homes refurbished. Some development underwritten by HRA; homes not sold would be acquired.
- **Self and custom build offer** - Supports approaches from individuals and small groups (none are CLH), offering them smaller sites and pockets of land within larger private schemes. Developer-led approach offers more certainty.
- **Community-focussed approach** - consultation with Werneth residents re empty homes acquired under defunct housing market renewal programme showed demand for home ownership – some homes were sold for refurbishment under licence as the community infrastructure was there; some sold for conversion into larger affordable homes, part of cleared site will go for large bespoke homes by Community Build Werneth

Opportunities
- CLH is the best way to protect new homes from the RTB – hugely appealing to attract reluctant politicians
- If the market allows cross-subsidy, this will allow more flexibility
- People from the CLH sector are willing to support councils and explain possibilities
- Stock holding councils can use land to build on and HRA borrowing powers as a financial lever – and CLH groups can raise additional finance
  - Asset transfers can be under 99 year leases which enable CLH groups to borrow against it and councils to retain the asset
- Capitalise on CLH local knowledge and intelligence by bringing local housing related bodies together into a network to discuss housing
- CLH is a good way of obtaining local people's support for residential development that they might otherwise oppose.
- Create partnerships with agencies to build communities through improving health, tackling anti-social behaviour, addressing unemployment, not just building homes
- Write into tender's commitments to social value through housing, provision of training to tackle unemployment, etc.

3. Products of the Housing Commission
- Knowledge bank- a formalised and recognised way of sharing information
  - An interactive website, updated regularly and evolving as Commission develops – facilitating interaction
  - Key contacts and support organisations
  - Explanation of areas for challenge for councils – e.g. finance
  - A technical toolkit (see below for content)

- o Case studies
- o Run-through of a typical scenario for a local authority – a simplified process
- o Short films about different projects
- Regional support networks:
  - o A pool of expertise
  - o Mentorship programme
  - o Specialist officer shared between councils/across sub-regions/a part-time secondee from CLH support organisation
- Charter for local authorities and housing associations setting out guiding principles
  - o Adoption of CLH as political and corporate priority – with designated roles for cabinet member and officer, targets and KPIs
  - o Commitment to CLH in housing strategy and in senior council JDs
  - o Each council to deliver a test site - e.g. of 25-30 homes
  - o Information about CLH on all council websites so people can access the right people and guidance
- Business case for CLH for local authorities - including added value – and addressing local authority requirement to achieve a financial receipt; to include:
  - o Social benefits – training for young people, homeless
  - o Reinvestment of surpluses in the community
  - o Use of HACT social value model
- National or local government champion for CLH and toolkit in LGA
- Regional events/workshops to raise awareness among councils
- Award scheme to recognise excellence in CLH

What the toolkit should contain:
- Clear route showing how to go through a simplified process, to increase efficiency
- Key technical issues –
  - o Guidance for councils, e.g. on asset transfers
  - o Simplify and standardise legal documents across local authorities – use LGA
- Case study examples
  - o Should address diversity across councils, housing associations, voluntary organisations and geography
- Training module for local authorities interested in CLH
- Contacts/information for specialist support
- Should be accessible through LGA, regional and sub-regional groups

Next steps
- Set up Housing Commission website by early November 2016
- Set up blog to provide forum for exchange of ideas and stories and generation of momentum
- Hold Housing Commissioner meetings quarterly

- Send out a call for evidence
- Croydon Evidence session 24.11.2016

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APPENDIX 1   ATTENDEES AT LAUNCH AND EVIDENCE SESSION, ROCHDALE, 29 SEPTEMBER 2016

ATTENDEE	ORGANISATION TYPE
Andy Lloyd, CLT Technical Adviser	CLT technical adviser
Paul Chatterton, LILAC (Low Impact Living Affordable Community)	Cohousing
Yael Arbel, Member, Chapeltown Cohousing	Cohousing
Diane Bellinger, Community Gateway Association,	Community Gateway Co-operative
Tony Newman, Leader - Croydon Council	Council
Jamie Audsley, Deputy Cabinet Member for Economy and Jobs - Croydon	Council
John Rooney, Head of Housing, Response Services & Districts, Oldham MBC	Council
Alison Stuart, Project Officer, Housing PFI Team, Oldham MBC,	Council
Caroline Wolfenden, Head of Corporate Policy, Performance & Improvement, Rochdale Borough Council,	Council
Donna Bowler, Assistant Director of Place, Rochdale BC	Council
Phil Soderquest, Head of Housing, Northumberland County Council	Council
Tony Mousdale, Empty Homes Manager, Liverpool City Council,	Council
Stephen Hill, Director C2O futureplanners,	Policy Expert
Carl Taylor, Director / Head of Strategy Birmingham, Redditch Co-operative Homes and Ashrammoseley Housing Association.	Housing co-op
Syed Maqsood, North West Housing,	Housing support services to co-ops and small housing associations
John McGuigan, North West Housing	Housing support services to co-ops and small housing associations
Alan Mackay, Business Development Manager, North Ormesby Neighbourhood Development Trust	Self-help
Martin Newman, Giroscope	Self-help
Steve Hoey, Canopy Housing	Self-help
Daniel Dickinson, Gipsil	Self-help
Carl Ditchburn, Community Campus	Self-help
Jen McKevitt, Back on the map	Self-help
Sally Thomas, Director of Communities, HACT	Solutions agency
Lyn Kesterton, Development Manager, Locality	Support organisation
Nic Bliss, Head of Policy, Confederation of Co-operative Housing	Support organisation
Jon Fitzmaurice OBE, Director, Self-Help Housing Network	Support organisation

APPENDIX 2

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Co-operative Councils' Innovation Network
Housing commission on Community-led Housing
Evidence Session Agenda

Thursday 29 September 2016 – 11.30 to 15.30

Learning Loft, Rochdale Pioneers Museum, 31 Toad Lane, Rochdale, Lancashire OL12 0NU

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TIME	SESSION
11.00 – 11:30	Registration and refreshments
11.30 – 11:40	**Welcome address** Tony Newman, Leader of Croydon Council (Chair of Housing Commission)
11:40 – 11:50	**Morning presentation: Challenges for community-led housing, current levels of local authority support and recent developments** Nic Bliss Head of Policy, Confederation of Co-operative Housing
11.50 - 12.30	**Table discussion 1** **What are the challenges and barriers to the development of community-led housing schemes?** To focus on: • Challenges and barriers for the community led housing groups in engaging with/receiving support from councils • Challenges and barriers for local authorities to engage with and support community-led housing projects
12.30 – 12.50	Plenary session with feedback
12.50 – 13.30	LUNCH
13:30 – 13:40	**Afternoon presentation 1: A co-operative approach of working with communities on housing development** John Rooney, Head of Housing, Response Services and Districts, Oldham MBC
13.40 – 14:20	**Table discussion 2** **How have challenges and barriers been overcome? What opportunities are there for developing or supporting new schemes?** To include: • What policy responses or strategies can be adopted by councils to support or stimulate community led housing? • Give examples of successful projects arising from positive council action (to be followed up as examples of good practice)
14:20 – 14:25	**Afternoon presentation 2: Practical help: A Technical Toolkit for local authorities and housing associations to support community-led housing** Sally Thomas, Director of Communities, HACT
14:25 – 15:00	**Table discussion 3** **What should the products of the Housing Commission be?** • How should we support community leaders and councils to enable the development of new community-led schemes? • What tools/materials/support would be of practical use to councils?
15:00 – 15:25	Plenary session with feedback
15:25 – 15:30	**Next steps and close** Jamie Audsley, Deputy Cabinet Member for Economy & Jobs, Croydon Council