

## East Cambridgeshire District Council Case Study

### The story of the local authority's approach to community-led housing

#### Basic summary

- **Local housing market characteristics**
  - Rural
  - High housing demand
- **Region:** East
- **New build homes. Example given:** New build CLT
- **Partners:** CLT East, Palace Green Homes, housing associations, developers

**Key message:** Making Community-led Housing (CLH) a local authority corporate priority can transform the scale of activity by adopting an end to end approach to promote the Community Land Trust model – from policy through developing in-house expertise, sharing experiences and good practice across groups to establishing a development company

#### 1. *The story: what was the problem that needed addressing?*

East Cambridgeshire DC is a rural authority with high housing demand. Its top local housing market challenges are:

- Affordability
- land values,
- lack of 5 year land supply,
- land banking (particularly with planning permission already granted)

In 1993 the local authority transferred its housing stock now owned by Sanctuary Housing Association, which also runs its housing register. The authority is not actively building social housing, but is building intermediate housing through community-led housing schemes.

#### 2. *Why is the East Cambridgeshire DC supporting CLH?*

Supporting community led housing (CLH) to develop homes which are genuinely affordable for local people on local wages is a key part of the council's strategic vision for East Cambs. It is supported as one of their six Corporate Priorities for the period 2015-2019.

CLH is a priority because it enables ECDC to deliver schemes where and how communities want them, helping to create sustainable, vibrant places for people to work, live and play. The Council is really excited about the prospect of community led developments popping up all over the district, whether it be a small affordable housing scheme in a rural village, a mixed housing and commercial scheme in a medium size settlement, or a large scale housing and employment scheme in one of its market towns.

Being so close to the City of Cambridge, East Cambridgeshire has experienced huge pressure on house prices. ECDC is keen that this predominantly rural district does not turn into a dormitory for city commuters and that there is high-quality, well-designed housing, facilities and amenities available, and affordable, to those with a strong local connection to the area. ECDC believes that

the best way to achieve this is to give power back to its communities and let them tell the council exactly what it is that they want and need for their local area.

**3. Who is benefitting from CLH schemes in the East Cambridgeshire?**

People with strong local connections to the villages and towns in East Cambridgeshire, who may otherwise be priced out of the local area, benefit directly from the provision of genuinely affordable housing. Communities benefit more generally by acquiring community assets and by ensuring their community remains sustainable. Profits from the Council's development company, Palace Green Homes, are reinvested back into the Council and ultimately back into public services.

**4. How does ECDC enable CLH schemes to develop?**

**Funding**

In 2013 ECDC established a start-up grant fund that community led housing groups could apply to for a £5000 grant. This grant money pays for all the initial start-up costs that a group will normally incur. This could include legal fees in becoming an incorporated body, paying for meeting rooms, organising community engagement events and meetings, marketing to make sure the local community are aware of the group and are able to get involved, possibly a website.

ECDC also established a revolving loan fund of £40,000 for pre-development costs. Whenever a group has come across an insurmountable barrier, the Council has sought to remove it to ensure that it does not affect the proposed scheme and that other CLH groups benefit in the future. Paying the pre-development costs, with no asset or track record to borrow against, was one of these barriers. The pre-development loan addresses this issue and is repayable, with a success fee, on the successful completion of the scheme. If the scheme is unsuccessful the loan dies.

**Enabling support**

ECDC appointed a Community Land Trust (CLT) adviser in 2013. The adviser provides specialist advice freely to CLTs and other community led housing groups within East Cambridgeshire. This has proved an invaluable resource in guiding communities through funding applications and the legal process of incorporation, developing a strong board of trustees and strong governance and undertaking meaningful and extensive community engagement work within the local area.

In 2016 ECDC acquired the CLT East brand, which became part of the East Cambs Trading Company Ltd (ECDC's local authority trading company - LATC) and now provides two specialist CLT advisers. Communities in East Cambridgeshire are freely supported with specialist advice and expertise throughout their development journey. CLT East maintains a strong working relationship with all CLH groups in East Cambridgeshire.

**Supportive policy environment**

In 2016 a [Supplementary Planning Document](#) was adopted. The 'Community Led Development' SPD seeks to enable community-led schemes by providing people with a better understanding of how planning applications for community led development proposals should be prepared and subsequently assessed by the Council. There is also a Policy within the Local Plan, and the new

emerging Local Plan, which deals with and encourages community led development, with a presumption in favour of genuinely community led projects which meet certain criteria.

### **Development support**

A development company, [Palace Green Homes](#), was set up in 2016, as the development arm of ECDC's LATC. This step was taken to address the “final” barrier in successful community led development: finding a development partner with sufficient understanding, skill and motivation to take part in joint community developments. There is a large amount of experience and expertise on CLTs and CLT development within the company.

#### **In summary:**

<b>Barriers faced by CLH groups</b>	<b>How ECDC have sought to address the barriers</b>
Start-up costs	£5,000 start-up grant funding
Pre-development costs	£40,000 revolving loan fund. Repayable, with success fee, on completion
Lack of specialist knowledge	Specialist organisation, CLT East, established to support groups
Planning barriers	SPD adopted and Community Led Development Policy written into Local Plan
Suitable development partner	Palace Green Homes set up as potential development partner

#### **5. Partnership work in East Cambridgeshire to support CLH.**

CLTs in East Cambs often partner with developers and/or landowners, who can apply for planning in conjunction with the CLT. Often this will be on sites which are outside the local plan boundaries as the lower land values enable schemes to be viable.

CLTs can also work with housing associations if they choose – the housing association seeks funding from HCA and will take over building and maintenance of affordable housing on behalf of the CLT on long term lease. The CLT will retain control of the allocations policy and process.

#### **6. Examples of homes that have been produced by CLH schemes in East Cambridgeshire**

The homes created so far have been new build, which is regarded as more relevant for the area; however, ECDC is not opposed to refurbishment should the opportunity arise.

It is a key requirement that the homes created remain affordable and this is often vital for community and landowner support. ECDC ensures homes remain affordable in perpetuity through the Community Land Trust model.

The type and degree of affordability is decided locally, based on local communities' needs. Both affordable rental properties and shared ownership properties have been provided, and there is scope for resale price covenant properties on a project currently in the pipeline. ECDC defines ‘affordable’ using the genuinely affordable model. Therefore, affordability levels vary throughout the District – local communities will decide in conjunction with the District Council and any development partner what level of affordability is required by local people and what level is viable for their scheme. The minimum level to be defined as ‘affordable’ is 80% of the market rent, however ECDC often find that in Cambridgeshire even 80% of market rent is still

out of reach for many local people; the Council therefore expects many CLTs to choose a level lower than this.

***Manor Farm, Streatham***

One of the successful CLH schemes is Manor Farm in Streatham, a joint venture between Streatham & Wilburton CLT (SWCLT) and local developer Laragh Homes. Manor Farm is a 75 home development, 23 of which will be permanently affordable homes owned and managed by SWCLT. The scheme has finished its first phase of building and the first CLT tenants moved in in March 2017. The scheme also includes large amount of green open space, an edible community orchard, bridleways, cycle paths, walkways, land for a new building for the GP surgery and flexible working spaces, all of which are owned and managed for the benefit of the community by SWCLT.

ECDC enabled this scheme by providing the CLT with a start-up grant, a pre-development loan and access to a specialist CLT adviser who is still freely supporting the CLT now as it moves into a housing management role.

As a result of its experience with SWCLT the Council has strengthened its planning process in terms of community led development by adopting an SPD and including a community led planning policy in their Local Plan.

**7. Next Steps:**

ECDC is establishing an Umbrella CLT which will operate throughout the district to hold assets on behalf of communities who are unwilling or unable to take the risk of being a CLT themselves but who can work with the Umbrella CLT as an advisory housing committee involved in the design, density and local allocation of affordable housing.

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