

## **Community-led housing: What is it and what can it offer your local authority?**

### **Guidance from the community-led housing sector**

This guidance has been prepared by the community-led housing sector for officers and elected members. It:

- explains what community-led housing is;
- highlights the benefits how community-led housing can deliver on your strategic aspirations;
- highlights the availability of substantial government funding aimed at promoting the sector; and
- explains where further advice can be obtained on how to make the best use of this funding, secure the second tranche of funding, and realise the benefits of community-led housing in your area.

**Community-led housing** is about local people playing a leading and lasting role in solving local housing problems, creating genuinely affordable homes and strong communities in ways that are difficult to achieve through mainstream housing.

### **Benefits for local authorities**

Community-led housing can bring significant benefits to local authorities. These include:

- mobilising public support for new homes and regeneration initiatives;
- reducing reliance on public services, for example addressing social care through building communities with mutual support for the elderly and vulnerable, and involving homeless people in the renovation of homes;
- providing a range of genuinely affordable housing in perpetuity, including rented homes that are not susceptible to the Right to Buy, and homes for those priced out of ownership;
- diversifying the local housebuilding market, and unlocking small sites and landowners that are not attractive or available to established housebuilders;
- supporting the implementation of duties such providing permissioned plots for individuals and groups on the Self and Custom Build Registers; and
- promoting community cohesion and resilience that can help tackle issues like antisocial behaviour.

Community-led housing approaches can also bring benefits to participants, including:

- skills, training and jobs, which can be targeted e.g. at care leavers and unemployed young people;
- a rewarding collective experience, improving their sense of community and connection;
- high quality and imaginatively designed homes and neighbourhoods;
- giving community organisations control over assets and revenue; and
- mutual support within communities, especially for older people and vulnerable young people.

### **Bringing resources into your area through community-led housing**

The newly announced Community Housing Fund provides £60 million per year of revenue and capital funding for the sector. This will be a game-changing fund with significant opportunities for local authorities.

Community-led builders can access mainstream funding, such as the £3 billion Home Building Fund and money from the HCA's and GLA's affordable housing programmes.

Community-led groups have also brought in significant revenue and capital resources not accessible to other housing providers, including commercial lending, social finance, charitable funds, crowdfunding, community bond issues and labour. These cover seed-corn funding for new providers, and pre-development and development finance for schemes, as well as funds for associated aims such as skills training and community development. They can build up new resources and resilience in your communities.

## Criteria for genuine community-led schemes

An alliance of community-led housing organisations has endorsed the following definition to ensure that schemes are truly community-led:

- a requirement that the community must be integrally involved throughout the process in key decisions (what, where, for who). They don't necessarily have to initiate and manage the development process, or build the homes themselves, though some may do;
- a presumption in favour of community groups that are taking a long term formal role in ownership, management or stewardship of the homes; and
- a requirement that the benefits to the local area and/or specified community must be clearly defined and legally protected in perpetuity.

## Approaches to community-led housing

Community-led housing has a significant history accompanied by a range of distinctive terminology and practices. Over time a number of established approaches have developed which all have specific characteristics, yet overlap to the extent that the distinctions between them are becoming increasingly academic.

Communities can and do choose to combine approaches to meet their needs and aspirations, drawing on the principles of each approach as a component to achieve one of their aims.

The main aims that different approaches provide for are:

- **Stronger neighbourhoods, shared spaces, mutual support:** Cohousing principles can be used to achieve this. Households each have a self-contained home but residents come together to manage their community and share some facilities. Cohousing is increasingly becoming an attractive option for older people to create resilient mutual support, in both new developments and retrofit to sheltered housing, which can reduce their reliance on public services including social care.
- **Permanent affordability and local control of assets:** Community Land Trust principles offer a mechanism to provide genuinely affordable housing in perpetuity, both for rent and ownership. Rented homes are protected from the Voluntary Right to Buy, and low cost ownership homes can be designed to remain affordable even if the gap between local incomes and house prices widens.
- **Building neighbourhoods:** Group self-build and collective custom build are great ways of supporting groups of households to work together to build or directly commission their own homes. The emphasis is always on supporting one another through the process which not only creates strong communities, but also develops skills and delivers high quality housing.
- **Greater local accountability and control over housing management:** Co-operative and tenant management principles empower residents to democratically control and manage their homes, often leading to improved efficiencies and financial savings as well as increased skills and confidence within the community. Many housing cooperatives own their properties collectively which also offers opportunities to invest in wider socially beneficial activities.
- **Tackling empty properties:** Self-help housing offers people the chance to bring empty properties back into use, sometimes for their own use. It can be particularly effective in providing work experience and training to people from vulnerable backgrounds in a safe and supportive environment, and help to revitalise homes, streets and neighbourhoods. It can form part of a strategy to tackle homelessness.

## Routes to delivery

For the most part, the routes to delivery for community-led housing schemes are the same as in any other industry-standard housing scheme. The difference is that the community takes central role. Communities may work in partnership with a local housing association or developer, or can work on standalone projects. They can provide affordable housing through a section 106 agreement and/or a Rural Exception Site.

There are three main ways in which community-led groups become involved in the process:

- **Group-led:** New community-led groups form in response to local housing need, or to deliver their own homes. They sometimes emerge from existing networks such as Neighbourhood Forums and parish councils. They access technical expertise to support the development and realisation of their ideas.
- **Extension of community based activity:** Existing community-based organisations with local roots decide to provide housing in addition to their current activities, accessing technical expertise to help them understand this new area of work.
- **Developer-led partnership:** A Local Authority, landowner, housing association or local developer wants to provide housing that incorporates a community-led element. They access technical expertise to recruit 'founder members' from within the community and support them to take over ownership and/or management of the homes. In this scenario it is essential that all of the community-led criteria (see below) are met to ensure genuine community benefit and involvement.

### **Support available for local authorities**

The community-led housing sector can provide a range of technical support services for all approaches and all routes to delivery. These are best provided by local or sub-regional organisations with a strong understanding of the local housing market, and relationships and partnerships with local authorities, housing associations and developers. The Community Housing Fund can be used to create or grow this kind of enabling infrastructure in your area.

As a first step, the sector can provide you with advice and enabling services to help you make the best use of the Community Housing Fund and be in a strong position to secure the second tranche of funding. The package of specialist advice includes:

- an introductory session to understand community-led housing, how it might meet your authority's priorities, and how it can dovetail with other duties such as the Right to Build and Neighbourhood Planning;
- mapping existing community-led housing activities in your area and in neighbouring authorities, including groups, technical advisers and enabling organisations, and options for growing the sector locally and in partnership with neighbouring authorities;
- advice on internal policies, procedures and structures to best enable community-led housing and avoid unnecessary and expensive delays, such as asset disposals/leases, the planning system, local sales and lettings policies, and the use of self and custom build registers;
- nurturing a local enabling and support vehicle so that your use of the funding creates a legacy of delivery capacity within your authority and in the local community; and
- signposting further specialist support for each of these areas.

You will be signposted to appropriate online resources (existing or emerging) as part of the support on offer.

### **What happens next?**

If you would like to arrange for an introductory session with a community-led housing adviser please send a brief email to [communityledhousing@bshf.org](mailto:communityledhousing@bshf.org) and we will put you in contact with an appropriate specialist.

Further information about community-led housing support services, wider support organisations, and signposting to sample case studies can be found at:

<https://www.bshf.org/our-programmes/community-led-housing>