

# How to enable Community-Led Housing

## Learning Brief 1: Enabling and catalysing community-led housing

November 2021

A series of learning briefs to share insights from the enabler hubs funded through Power to Change's Homes in Community Hands programme

Power to Change's Homes in Community Hands programme provides grants to help build and refurbish affordable housing. Specifically, the programme is supporting the development of community-led housing in England with £5.2 million in funding. The fund has predominantly targeted five areas in England, where enabler hubs are supporting the development of community-led housing, and where funding is directed to both hubs and community-led housing projects.

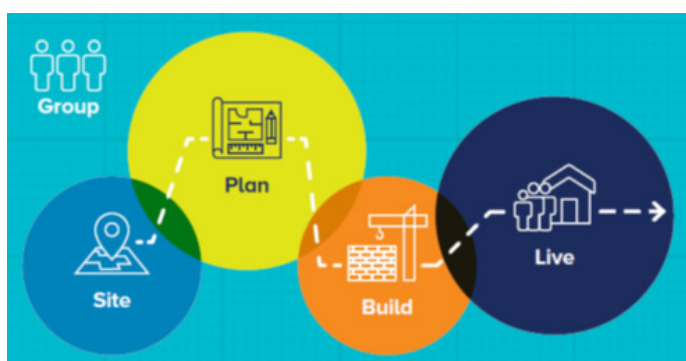
The evaluation team is assessing the impact of the Homes in Community Hands programme on various stakeholders and beneficiaries, while also capturing important learning to inform the practice of community-led housing enablers, community-led housing groups and other organisations, including funders like Power to Change. This briefing note presents findings from Year Two of the evaluation, assessing the models and methods being used by hubs to enable and catalyse community-led housing in their area.

## Key Points

- A key purpose of enabler hubs is to nurture community-led housing groups and developments, usually by providing technical support and expertise for groups, partners and stakeholders at different stages of development.
- The work of enabler hubs has contributed to significant increases in the number of community-led housing groups and the pipeline of homes to be delivered, within the areas studied.
- In the five hub areas of this study, the majority of enabling work occurred in the initial stages of community-led housing development, reflecting recent efforts to stimulate demand amongst new groups.
- The cost of delivering this support, particularly at an early and unpredictable stage where delivery is unclear, have been met through grant funding. As grant funding reduces and expires, enabler hubs face significant challenges in sustaining this work. This may lead hubs to prioritise work with groups perceived as most likely to succeed with housing delivery.
- Enabler hubs are critical partners to community-led housing groups, providing important support in navigating complex legal and financial challenges. Without this support, groups may not form, develop and progress their plans for new affordable housing.
- In addition to helping increase the pipeline of affordable homes, enabling hubs have sought to diversify the scope and reach of community-led housing to other participants and beneficiaries, including greater recognition of issues of equalities and diversity.
- Issues of financial sustainability pose a significant threat to the delivery of increased pipelines of affordable homes. In response to these concerns, enabler hubs are attempting to diversify revenue streams by developing their own assets and diversifying their activities into related areas.

## How do hubs support community-led housing?

A key purpose of community-led housing enabling hubs is to catalyse new community-led housing schemes in their areas of operation. This typically involves stimulating interest in community-led housing amongst potential groups and interested parties, as well as providing direct support for projects that are further progressed. This support involves the provision of technical expertise and information at all five stages of the planning and delivery of community-led housing organisations and developments.



In the five hub areas in this study, the majority of enabling work occurred in the initial stages of community-led housing development, such as support with group formation, organisational incorporation, and the identification and acquisition of potential sites for development. At the time of data collection, the majority of groups supported by some hubs were in the very early phases of development: of 32 projects supported by Breaking Ground across the Liverpool City Region, 8 had progressed beyond the first stage of group formation and identification, while 18 of 30 groups supported in Leeds were also in the first stage. While many community-led housing groups do not proceed with their development in a linear, straightforward or immediate fashion, this highlights that enabling hubs have important roles to play in the initial catalysation and progression of community-led housing from a very early stage.

The enabling work of hubs is delivered through a combination of core staff directly employed by the hub, and a broader network of enablers and associates that work on an ad hoc and consultancy basis. This broader network is often composed of experts in housing and community development and of accredited community-led housing advisors, often specialising in particular areas. Most hubs have relatively small core staff, usually numbering fewer than five employees, yet encounter significant demands on their time as interest in community-led housing increases. The broader network of enablers and associates is therefore vitally important to the work of hubs.

### CASE STUDY ENABLING CLH – LEEDS COMMUNITY HOMES

One of the first to receive a Homes in Community Hands grant, Leeds Community Homes has developed a sophisticated enabling model. In early 2021 the organisation was actively supporting 30 groups planning over 600 homes in the Leeds City Region. They have invested significantly in salaried and contracted associates to provide hands-on advice to CLH groups through the above stages of development. Unlike many hubs Leeds Community Homes have an in-house Development Director, able to support projects toward and through the construction phase. In recognition of their own success in raising capital through community shares, Leeds Community Homes have also offered support to CLH groups raising finance this way, leading promotional activity on their behalf and maximising the profile of such share offers.

This advice and support role is being allied with more direct interventions as it acquires its own properties for rent, and also facilitates the development of new schemes where no existing CLH group is present but where suitable land can be acquired. It has recently established a non-charitable subsidiary which will become a Registered Provider with Homes England, and therefore able to receive capital grants from the Affordable Homes Programme. They are showing that without significant future grants for enabling services, one option is to lead development themselves whilst combining this with enabling support for others.

The costs of employing this network to support community-led housing groups has usually been met through the core grants provided by the Homes in Community Hands programme and Community Housing Fund. These grants have been particularly important to hubs given that community-led housing groups often encounter difficulties in funding early-stage work. In addition to more general early-stage work, the enabling work of hubs – delivered through this broader network – often involved support with financial modelling and business planning, planning and launching Community Share issues, commissioning external professionals such as architects, and liaising with local authorities over asset acquisition.

## **What is the value of this support to community-led housing?**

The creation of enabling hubs, supported by the Homes in Community Hands funding, has contributed to growth in the number of community-led housing initiatives in their areas of operation. In 2021 data suggested that more than 2,300 homes were being planned in hub areas, within projects where sites had been acquired or secured, business plans developed or planning approval granted. This is a significant increase on the first year's baseline assessment which estimated that there were fewer than 900 homes in the hub's pipelines. Part of this variation relates to improved data collection, but even accounting for that the change is still significant. This pipeline will result not only in the provision of new affordable homes but potentially a range of place-based impacts associated with community wellbeing and local economic development in local communities. Beyond these quantitative measures, there are a number of qualitative impacts that have been crucial to the progress of community-led housing.

Hubs are of significant importance in supporting groups. Community-led housing groups highlighted the value they place on the support given by hub staff and their broader network of enablers, which has made tangible differences to the planning, funding and progress of their housing developments. In the Liverpool and Leeds City Regions, hubs provided critical support to groups undertaking Community Share Issues, advising them on the legalities and distribution of Share issues, as well as promotion and communication to help raise funding. Hubs are therefore important in supporting community-led housing groups devise and implement innovative funding models.

In this study, community-led housing groups provided counterfactual scenarios that suggested that they may not have progressed their schemes without the support provided by hubs. In addition to navigating legal and financial challenges, hubs were considered to have helped to create more conducive environments for community-led housing to prosper. This was particularly evident in relation to lobbying and building positive relationships with local authority councillors and officers and securing supportive policies. Hubs have also actively sought to create opportunities for community-led housing groups within private sector-led developments, such as potential accommodation of CLH within larger developments via Section 106 contributions. This activity may lead to more diverse and unique opportunities for community-led housing beyond those that are commonly associated with the sector, such as opportunities on better located sites that may usually be beyond the scale and financial capabilities of community-led housing schemes.

In addition to their pipeline of affordable homes, enabling hubs in receipt of Homes in Community Hands grants have actively sought to diversify the scope and reach of community-led housing to other participants and beneficiaries, including greater recognition of equalities and diversity through review of internal policies and procedures and actively working with groups that have previously been under-represented in the community-led housing sector. This has also led to cross-geographical collaboration between hubs, with enabling experts working across different regional contexts and beyond the regional contextual grounding and defined geographies commonly associated with hubs.

## **Financing and sustaining community-led housing enabling**

The Homes in Community Hands funding has provided core funding for hubs, alongside grants from the Community Housing Fund. This funding has made possible many of the impacts noted above. However, there are some challenges related to the ongoing financing of hubs, which may impede the progress and delivery of groups in their areas of operation. Simply put, the five hubs studied face a cliff edge in funding, creating uncertainties about future support and services.

As noted on Page 2, hubs play important roles in providing early-stage advice to community-led housing groups during stages of formation and

visioning. It is at this stage that those seeking advice and support require advice and guidance in order to form and develop their organisations and plans, yet given their embryonic status that may not be legally constituted, they may not yet have identified assets or land through which to deliver their ambitions, and they may not be able to fund early-stage advice. There is therefore uncertainty over whether and how supporting these embryonic groups will help to fund and sustain hubs, particularly in the context of grant reductions.

Furthermore, by their very nature the prospects of these early-stage groups delivering housing may be unclear. Hubs therefore invest their time on a speculative basis and, as grants reduce, hubs may need to focus their limited time and resource on projects that are most likely to progress and therefore most likely to generate fee-based income for them to sustain their services. This was a source of regret for hubs in our study and was not seen as desirable, but rather inevitable without consistent and reliable sources of funding. This is an important challenge for the broader community-led housing sector to consider, given recent efforts to diversify CLH opportunities to under-represented groups.

In this context, and given concerns over the financial sustainability of hubs, there have been efforts to diversify income sources. While public sector organisations are still seen as important and potential sources of funding and support, hubs have also sought to create new income streams that combine continued core purposes with greater financial viability. This has included development of their own housing assets to create a reliable and consistent revenue stream, as well as diversification into other areas such as retrofit, employment and skills training, and property management and maintenance services to CLH groups. This diversification differed across the five hub areas in this study, reflecting their local context, specialisms and expertise. Some hubs are focusing almost solely on supporting local CLH groups, whereas

others are investing more heavily in their own assets and hub owned/initiated projects.

Hubs are concerned to ensure they can continue their services to groups at all stages of community-led housing development, particularly given strong and increased demand for CLH as a result of hub activities in recent years. However, there are concerns that reductions in grant funding will diminish and constrain the activities of hubs and affect the extent to which this infrastructure is utilised to its full effect and potential.

## Conclusion

The five enabling hubs funded through the Homes in Community Hands programme have played a significant role in catalysing new community-led housing schemes. Within their areas of operation, there have been marked increases in the number of community-led housing schemes at various stages of development, and the pipeline of homes. If realised these projects will likely result in a number of qualitative benefits for citizens and communities.

Hubs have helped to improve their local political and financial environments for community-led housing and have helped groups navigate complex legal, financial and development challenges. In addition, hubs have stimulated new demand from groups previously under-represented in the community-led housing sector, beginning to impact upon and improve equalities and diversity.

In the context of grant reductions, hubs are innovating in identifying and developing new sources of income. However, this potential is not yet realised and may impact upon the extent to which the work hubs have done in enabling and catalysing community-led housing is fully realised. This may have impacts on the number of homes delivered, the nature and type of groups that are supported, and the priorities, scale and scope of hub activity.

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