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# LESSONS IN COMMUNITY LED HOUSING: (3) FOR CLH ORGANISATIONS

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**January 2023**

# Lessons in Community Led Housing: (3) For CLH Organisations

## Summary study findings

In 2017 Power to Change launched its Homes in Community Hands (HCH) programme, to support community led housing (CLH). Focusing on five urban areas across England, HCH funding has helped plan and develop individual housing projects, develop enabler organisations, and capitalise other investment and funding mechanisms. Our evaluation tracked the programme between 2019 and 2022, and built a significant evidence base of primary and secondary data. We show the programme to have made grants in excess of £5.1m - 60 grants to 44 different organisations (including 37 CLH groups). In varying forms and to different extents, the programme has supported the planned development of between 4,000–5,000 homes including 1350 planned by the groups receiving direct grants. We suggest a wider range of impacts to people and place will be felt in the coming years..

The key contributions of the programme are:

1. Helping improve the national infrastructure for CLH and increase its influence
2. Supporting hubs in the promotion of CLH and the development of new enabling services
3. Enabling hubs to build local relationships and influence local conditions to support CLH

## The implications for community led housing:

The study sets out a range of implications to create an improved funding and policy regime for CLH. It also suggests how the national infrastructure for CLH can orient CLH to new agendas and institutions and how local infrastructure organisations must diversify their income. Finally, it details implications for CLH groups facing challenging funding environments.

# Key messages for CLH organisations and practitioners

**The evaluation includes evidence from 37 CLH organisations funded under HCH, with in-depth evidence from two advanced projects.**

These examples demonstrate the broad range of social impacts CLH projects can achieve; usually including enhanced affordability and sustainability of homes, and often bringing communities together and giving them more influence and control. Project impacts sometimes include neighbourhood regeneration, training and employment, as well as support for people with specific needs (such as alcohol recovery, transition from care and tackling loneliness).

This summary draws out a number of organisational processes that are helping to achieve these broad impacts. These include **engaging with future residents from an early stage, having clear shared values that underpin outcomes, building from and contributing to a wider CLH movement, and choosing the right development partner, whose judgement is trusted but can be challenged.**

Most CLH projects face challenges in relation to securing sites, planning permission and finance for each development stage. Case studies show how these challenges can be overcome by raising public awareness and building relationships with key partners such as local authorities and the wider community (e.g. through community share issues). Negotiation, alliance building and lobbying can be particularly important in securing planning permission and overcoming inappropriate planning requirements. A changing patchwork of funding means projects face a lack of certainty. Securing public funding towards capital costs is important but usually involves compromises. Community share issues can have wide benefits but usually account for a small proportion of overall funding.

Groups can maximise their ability to meet these challenges by using democratic models of decision making, actively linking with local ecosystems of support and predicting and promoting their impacts to attract partners.

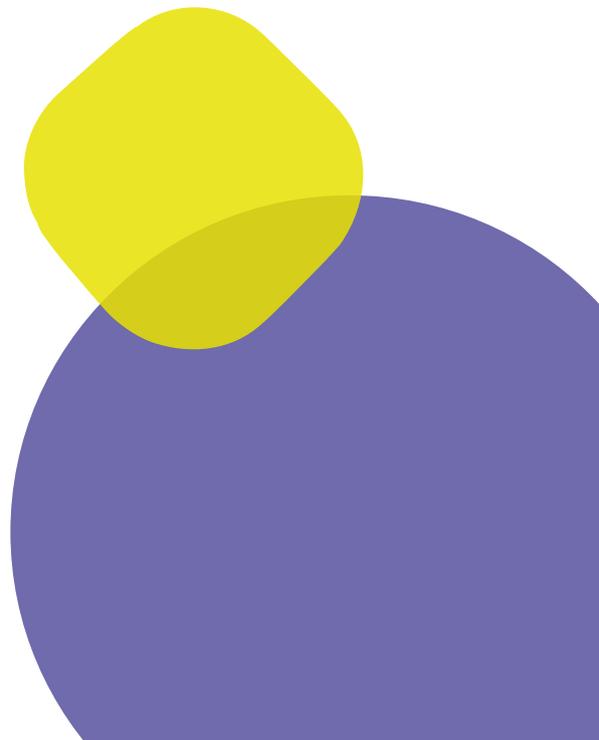
In the final section ten learning implications and actions are distilled that are enabling HCH projects to move towards broad social impacts.



# Lessons for CLH on CLH organisations and practice

## Overview of the cases, actual and anticipated impacts

37 CLH organisations had received one or more grants from the HCH programme. A total of 1,350 homes were planned by these organisations, with a predominant emphasis on social and affordable rent (55% of planned homes were expected to be at rents at 80% of market rents or lower). Wider benefits were anticipated by over 50% of projects for example: to bring communities together, give local people more influence, create better quality homes, address shortages in affordable properties and regenerate the local area. Employment and training outcomes were anticipated by a third of projects. Seven projects supported by enabler hubs had broad impact aims including using sustainable building materials and methods, climate friendly and zero carbon homes, construction training and employment, bringing empty properties into use, providing family homes in an area dominated by student housing, supporting a unique peer led alcohol recovery by residents, and supporting people transitioning from care and tackling loneliness. Most projects were at an early stage of development, but 5% were already completed and a further 8% were at the build stage. Deeper process insights were drawn from advanced projects including two in-depth case studies.



## The design and process actions that led to outcomes and impacts

**It is no accident that these CLH projects are set to achieve a wide range of community impacts going well beyond housing. The evaluation drew out design and process actions that underpin these outcomes.**

First, projects show clear benefits from engaging with residents and future residents throughout the development process and building a community of interest and sense of ownership. In one new build project *'people came for affordability and stayed for the community and friendship they built'.. 'a lot of the stresses of life will be taken down by having a group of people all around you that you can trust... its huge'. In a housing refurbishment project, care leavers had 'actually worked on the property that they now lived in. It gives them much more ownership'.*

Second, shared values underpinning goals e.g. environmental sustainability and affordability were relentlessly pushed for by active participants. Compromises were sometimes necessary but the commitment of members to environmentally sustainable outcomes (e.g. materials, design and heating systems) even when challenged by funding and planning constraints clearly distinguish these projects from typical Registered Provider (RP) development projects. *'The building would look, feel and work differently without the coop's hands on input. And because they had a Community Housing Fund grant, the RP were less likely to challenge them'* (RP Enabler).

Third, many were inspired by previous CLH projects, reflecting the growth of a CLH movement. The LILAC mutual home ownership model was the inspiration for one project, while another drew on learning from a 'Radical Routes' housing coop and worker coops which some members had been involved in. In practical terms these projects were seeking to adapt earlier successful models to meet their current needs and circumstances – *'we wanted to go beyond the rooms in terraced houses typical of UK coops – a purpose built concept combining work spaces and modern housing was the outcome'*. In turn these projects intend to take the CLH movement into the future by sharing their learning and helping new groups to form.

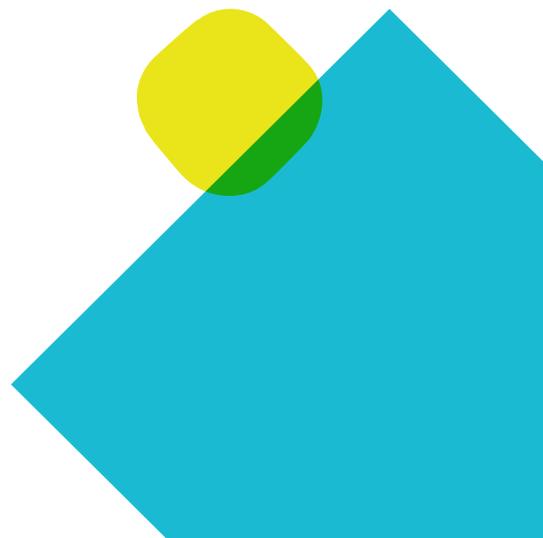
Fourth, these projects demonstrate the importance of choosing the right development partner based on trust and shared goals. One project was fortunate in having prior knowledge of and trust in a key individual working in a local RP. This individual worked within the project management structure set up by the three coops, attended monthly decision-making meetings and advised on a wide range of issues. His RP provided design advice, facilitated site purchase, helped secure planning permission and will build-out the scheme through their modular construction factory. The coop trusted his knowledge and judgement: *'he can do what is best for coops. He clearly goes above and beyond what he needs to do in this role'*. He listened to and reflecting the wishes of the group but on occasion they challenged his advice, e.g. holding out for air source heat pumps for each apartment.

## Overcoming challenges

**The most common practical challenges faced by CLH projects are securing sites and planning permission and accessing funding for all stages of their project.**

**Two depth studies provided learning on how site and planning challenges can be successfully negotiated:**

- In one case planning permission was secured for a cohousing project as part of a larger mixed tenure scheme on local authority owned land. The group were supported by the local authority to purchase the site on social value terms. This was achieved by raising public awareness of CLH and building a relationship with the local authority over an extended period. Undertaking a community share issue not only raised over £400,000 towards the site purchase but also helped build the membership base of the group and credibility with local stakeholders including the local authority.
- Another case had a more challenging journey to secure planning permission. The group deployed hard negotiation, lobbying and alliance building to achieve its core aims of sustainable construction methods and materials and affordable homes for families. The group felt that the Council's community led housing policy didn't really help; and they had faced additional legal costs associated with the Section 106 agreement even though the project was offering 100% affordable homes with 35% nominations to the local authority. They had compromised over density with the loss of a proposed fourth floor and some of the larger homes. However, they successfully resisted the Council's initial requirement for traditional red brick rather than prefabrication. All in all, securing a site and planning permission for 39 affordable homes, three worker cooperatives and community meeting space in the heart of the community was a significant achievement.

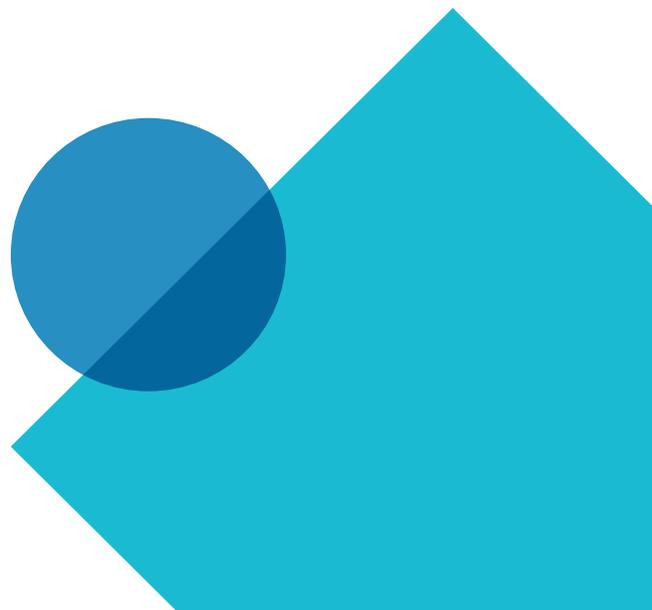


## Securing project funding also involved considerable learning and compromise:

Despite efforts to fill funding gaps and coordinate project support at each stage of the development cycle, groups face a constantly changing patchwork of funding, a lack of certainty and difficulties in planning over the life cycle of their projects. A core problem was to secure public funding towards the capital costs of providing affordable homes

*'Without capital funding the whole sector is stuck. A lot of groups are looking at becoming registered providers so that they can access grant funding but you have to submit to the Homes England sort of straitjacket of tenure models which is a shame'.*

- One group had made an early decision to house local people in housing need and recognised that this would require public grants and accepting the associated regulation. Public funding was facilitated through its RP development partner which drew on its access to affordable housing grant and European innovation funding to help the group to secure affordable rents as close to social rent levels as possible and to achieve circular economy goals. Early-stage work was funded by a large CHF grant and a smaller HCH grant. The RP partner would draw on its private loan facility for the development phase of the project. In the longer term the group was looking to register as an RP and to secure its own private finance from an ethical lender to complete the purchase on completion.
- Another group had found alignment with the housing funding regime more problematic. The Mutual Home Ownership model proved not to be publicly fundable once the Community Housing Fund closed. They successfully secured early-stage funding through two HCH grants, a CHF grant and exceeded their target from a community share issue. They had planned to apply for a large CHF capital grant for the development phase but closure of the CHF Capital fund meant they would now need to draw on Homes England's Affordable Housing Programme. With shared ownership now the only form of home ownership qualifying for public subsidy the group were forced to review their options, concluding that *'we do not consider shared ownership to be truly affordable long-term tenure'...*[it is] complicated, market based and assumes sales will be at market value' (thereby negating their aim of affordability in perpetuity).



## ..... Process learning

**The evaluation unearthed a rich vein of process learning in relation to organising. Three learning points stand out; 1) using democratic models to keep participants on board and manage decision-making challenges, 2) making active links with local ecosystems of support and 3) predicting and promoting impacts to secure further support.**

**Democracy in Action:** Both in-depth case study projects used democratic decision-making models to keep participants on-board over several years and to manage complex and challenging decision processes. In one case a consent-based system of governance, known as sociocracy<sup>1</sup>, was used to make sure everyone's voice was heard and to facilitate decisions based on consent rather than majority voting. This helped the group to deal with trade-offs between affordability and sustainability. One participant reported that: *'it opened my eyes to new ways of making decisions'*. In the other case traditional cooperative methods were used to ensure that three founder coops were involved in key decisions as the project progressed. Each coop partner was represented on the project board which met monthly with their RP adviser. As one participant put it: *'Many, many meetings were involved but....the payoff is so big compared to other meetings you might choose to go to, the cost/benefit ratio is really good'*.

**Linking with local ecosystems of support:** Both projects had relationships with key individuals active in HCH funded hubs. The hubs created informal support networks around CLH, enabling projects to access learning in ways they were comfortable with. Local ecosystem links included supportive RPs willing to share expertise without compromising the independence of projects. Further links were made with local social economy organisations beyond the housing sector. One project partnered with a peer-led alcohol recovery project and a third sector infrastructure body, another linked a consortium of third sector organisations in planning a local 'health village', while a third linked to a local authority economic development department to access employment training funding for green retrofit projects. These joined up approaches increase the scale of potential outcomes, e.g. to transform High Streets: *'it's not just a housing project with premises below because specific worker coops initiated the project from the start... 'everything relates to taking the High Street project forward - suitable premises for everyone and affordable housing'...'pooling resources to challenge the power of asset owners'*.

**Predicting broad impacts from an early stage, working for these and communicating them to key stakeholders** helps CLH projects to attract further broad support. Organisers and residents gain confidence through shared stories of purpose and impact, partners buy-in to these stories and bring resources to enable further progress. Examples include using a community share issue to build support and legitimacy at the same time as raising finance and making a video to celebrate success in securing planning permission.

<sup>1</sup> **Sociocracy** is a system of governance that seeks to create psychologically safe environments. It draws on the use of consent, rather than majority voting. For examples of its use in community led housing and intentional communities see: <https://www.communityledhomes.org.uk/resource/introduction-sociocracy>

## ..... Implications and Actions:

### Ten specific implications and actions are drawn out for CLH organisations:

1. **Develop broad outcomes for the project at an early stage and work for and communicate these with key stakeholders throughout.** CLH is about more than housing and the broad outcomes illustrated by these HCH projects have been a key resource in mobilising and retaining support from stakeholders.
2. **Engage with residents and future residents throughout the development process to build a sense of community and sustain interest and active participation.** CLH models have a clear advantage over other housing forms in having an active core of participants.
3. **Agree shared values underpinning project goals and empower participants to push for them.** *'CLH would look, feel and work differently without members actively committed to project outcomes and ready to resist challenges to these ideals'*.
4. **Draw on the inspiration of earlier successes in the CLH movement and expand on these to meet current local needs and circumstances.** The wider movement has inspired and informed local groups who are in turn committed to share learning to support others. This is a key resource for the sustainability of CLH.
5. **Choose development partners carefully based on trust and shared goals.** Having the right partner can make an enormous difference at each stage of the process. Practical support, financial and technical resources, judgement and knowledge of the system combined with recognition of the group's own priorities and right to challenge advice make for an ideal partner.
6. **Secure access to land and planning permission without compromising core project aims (e.g. affordability and sustainability).** Awareness raising, relationship and alliance building, hard negotiation and lobbying is required to overcome many challenges during the site acquisition and planning process. Even a positive local community led housing policy may prove insufficient to overcome obstacles.
7. **Secure appropriate funding for each stage of the development process.** With reduced bespoke CLH grants (CHF and HCH) this will become even more challenging. Becoming or partnering with RPs is a key means to access public grants but can restrict tenure models. Community Share issues can help build a membership base and establish local credibility but will usually account for a small proportion of project funding.

8. **Use democratic decision-making models to keep participants on board and manage complex and challenging decision processes.** Sociocracy and democratic cooperative structures with representatives meeting regularly to make key decisions are two practices that can make CLH distinctive and effective.
9. **Link with local ecosystems of support – CLH hubs and wider social economy alliances beyond the housing sector.** This can enable projects to build broad impacts without sacrificing independence and can lead to holistic outcomes going well beyond housing.
10. **Share success stories to build momentum and legitimacy.** Sharing aims and celebrating stories of achievements can help keep projects on the map, build confidence and momentum and legitimacy over the long haul of CLH project development. Examples include community share issues and celebratory videos.

### Further information and evaluation reports

<https://www.shu.ac.uk/centre-regional-economic-social-research/projects/all-projects/homes-in-community-hands-evaluation>



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