



Building the Community-led housing Sector in Oxfordshire

A report for the Oxfordshire Housing and Growth Deal

March 2020

Accreditation

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The report was undertaken by the Collaborative Housing Hub and should be referenced as 'Collaborative Housing (2020) Building the Community-led housing Sector in Oxfordshire'.

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Executive Summary

This report analyses the current barriers and opportunities for growing the delivery of community-led housing (CLH) in Oxfordshire.

The report recognises community-led housing as offering affordable housing with additional benefits for residents and the wider community. By definition, the delivery of community-led housing requires meaningful community engagement and consent throughout the process; the ownership, management or stewardship of the homes by the community; and clearly defined benefits to the local area and/or community.

Despite high levels of housing growth across Oxfordshire and years of dedicated work by volunteers, community-led housing has, until now, only delivered a small number of schemes in the county. There is, however, a growing recognition of the role CLH can play in addressing local housing needs. As this report shows, there is currently a pipeline of 80 new homes in development across Oxfordshire and many more groups and communities interested in taking projects forward with access to the right support. This step change in development has been brought about primarily through access to funding through the national Homes England Community Housing Fund and a growing network of support for groups at a national level. However, if growth is to be scaled up and become a mainstream sector in housing delivery more needs to be done to support this.

The report examines a range of potential interventions aimed at supporting the growth of the CLH sector within Oxfordshire. The report is organised around three key interconnected elements that are vital to the scaling-up of CLH provision in Oxfordshire:

1. Access to funding
2. A supply of land that CLH groups can access
3. Policy and technical support.

Access to funding

The Homes England Community Housing Fund introduced in 2018 has made a significant difference to the delivery of community-led housing, with 80 homes currently in the development pipeline in Oxfordshire. This fund has now closed, and it is unclear at this stage whether the programme may be renewed.

Whilst there are still some funding routes for CLH groups, pre-development (up to planning permission) funding is particularly difficult to obtain and a sustainable source of support is vital if the growth seen in the last 18 months is going to continue.

This report highlights various local approaches for consideration, drawing on examples from other local authority areas where community-led housing is now delivering in significant numbers. It identifies and argues for a local grant or 'soft-loan' fund to support pre-development costs and a local revolving loan fund to support capital development costs as key finance recommendations. As well as direct funding finance can also be supported through development partnerships, with registered providers and others and through the de-risking of sites at a strategic level.

Access to land

There are a number of barriers to CLH groups accessing land on the open markets including cost, competition and financing. Community-led housing schemes can nevertheless improve on what can be achieved through traditional development routes by building to increased densities, achieving a lower carbon footprint and collaborating with local communities.

This report shows how barriers can be overcome through strong knowledge of potential land opportunities. In particular, it advocates the use of specific land archetypes as a means for delivering CLH at scale. This

requires a more strategic approach to buying land at scale and sets out the following recommendations for tackling these challenges:

- To consider legal advice and best practice for the disposal of land for housing under market value
- To consider the establishment of a process to support the identification and release of land opportunities for CLH
- To identify ways of reaching landowners/ land agents through existing networks and forums
- To consider the possibilities of a strategic approach to securing land through partnership working with Homes England and other landowners

Building a supportive enabling environment

In recent years, as the number of CLH groups has grown, Oxfordshire local authorities have started to attune their policies to support this activity. In 2019, Collaborative Housing was established as the community-led support hub for the Thames Valley. The hub provides the full range of technical support needed for groups from an initial idea through to a finished and occupied development. With this now in place the enabling environment can be enhanced through planning policy and processes.

This report identifies a range of best practice policy options from around the UK for review. It also shows that there is a need for the policy and political environments, including at a strategic level, to develop in mutual support of CLH and for a strong system of technical support to continue to be available to groups.

Key recommendations in this section focus on: provision of signposting support for groups; consideration of the most appropriate forms of early-stage planning advice; whether CLH could be appropriately reflected within neighbourhood planning, Local Plans or the Oxfordshire Plan 2050;

and the identification of supportive development partners, such as registered providers, to share risk. Reflection too, on the possibility of political champions, responsible for promoting CLH within each local authority.

The full list of recommendations alongside key actions and resources required can be found in section five.

1. Introduction

- 1.1. Collaborative Housing or CoHo Hub (the community-led housing hub for the Thames Valley) was commissioned by the Oxfordshire Growth Board to undertake a research project about how community-led housing could support the ambitions for housing growth and particularly the delivery of affordable housing in Oxfordshire.
- 1.2. This work has been funded through the Homes England Community Housing Fund.
- 1.3. The report has been conducted drawing on desk-based research and interviews with landholders, lenders, local authorities (LA's) and community-led housing groups.
- 1.4. The interim findings of this work were then tested at a stakeholder workshop attended by the Growth Deal core team, representatives from all six Oxfordshire local authorities including officers from housing, planning and finance teams and Homes England. This workshop, held in February 2020, helped shape the recommendations of the report based on the research findings.
- 1.5. Community-led housing is defined by government as *'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*. It involves new forms of sharing; sharing activities, costs, finance, services and risk together rather than at the individual household level and, in doing so, it seeks to create stronger, more cohesive, communities. In Oxfordshire, the focus is primarily on affordability and so re-imagining finance and land systems also come to the fore.
- 1.6. The definition of community housing refers to three principles:
 - A requirement that meaningful community engagement and consent occurs throughout the process. The community does not necessarily have to initiate and manage the development process, or build the homes themselves, though some may do;
 - The local community group or organisation owns, manages or stewards the homes and in a manner of their choosing;
 - A requirement that the benefits to the local area and/or specified community must be clearly defined.
- 1.7. In England, the key identity mechanisms for CLH are dominated by Co-operatives, Cohousing and Community Land Trusts (CLTs), the former of which is constituted for the benefit of their membership and the latter to a wider community of benefit. These mechanisms are not mutually exclusive.
- 1.8. This report seeks to build on the *Routes to Delivery* report commissioned by Oxford City Council and launched in January 2020. This report, also completed by the CoHo Hub, sets out the benefits of community-led housing and delivery within Oxford City itself.
- 1.9. Community-led housing will be referred to as CLH throughout this report.

2. Background

- 2.1. Whilst Oxfordshire as a whole has experienced high levels of housing growth, there is a perception that many local communities have often felt they have little control over the housing delivered and that it fails to meet the needs of the people in need of housing within their community. As a response there has been a growing interest across the county in communities directly providing the housing that could help meet local needs.
- 2.2. To date, Oxfordshire has seen only a small number of CLH schemes developed. These are Stonesfield Community Land Trust and two housing co-operatives in Oxford City, Kindling and Dragonfly, which provide shared housing. Stonesfield CLT is one of the oldest community land trusts in the UK and owns and manages 15 homes in West Oxfordshire. However, [Oxfordshire Community Land Trust](#) and [Oxford Cohousing](#) have been working for many years to find the finance and land to deliver their vision for new housing.
- 2.3. Since the introduction of the Community Housing Fund in 2018, the pipeline of community-led housing schemes in Oxfordshire has increased rapidly as shown in Table 1,
- 2.4. In addition, there are now other groups which have either formed and incorporated or have expressed an interest in community-led housing. Collaborative Housing is in contact with around 15 groups or local communities in Oxfordshire who might take forward a project if land, funding and support were available.

Table 1 – CLH pipeline since 2018

Group	Stage	Site	Likely Completion	Numbers
Oxfordshire CLT	Planning secured	Dean Court, Botley	2021	8 affordable
Hook Norton CLT	Planning application submitted	The Bourne	2022	10 affordable 2 market
Thame CLT	Site secured	Thame	2023	30 affordable
Oxford Cohousing	Site appraisal, including pre- planning	Oxford City Sites	2023	30 mixed tenure
TOTAL NEW HOMES				80

- 2.5. As well as an analysis of the community-led housing environment in Oxfordshire and of good practice across England, the stakeholder event held in February 2020, gave an opportunity for staff across departments at all six local authorities together with representatives from Homes England to give their views. The key messages from this have been incorporated in the relevant chapters of the report.

- 2.6. The purpose of this research is to make recommendations to the Growth Board as to how it might be able to support a step change in the development and delivery of community-led housing within Oxfordshire. This research will focus on these three key elements of funding mechanisms, land supply and technical support to consider how community-led housing can become a strong part of housing delivery in Oxfordshire

3. Supporting Community-led housing through Financial Interventions

Sources of Funding

- 3.1. There are a number of different sources of funds that groups have used to help progress housing projects. The following details the major funding options available across England in the form of grants and loans that, in the absence of any additional Oxfordshire-specific funding streams, are typically the most important for CLH groups within the County.

Grants

- 3.2. **Big Lottery Awards for All:** small grants of up to £10,000 as part of wider funding for voluntary and community organisations. Principally used by groups as part of the Group stage for start-up costs
- 3.3. **Community Led Homes Start Up Grants:** grants up to £10,000 for start-up costs, including initial advice, legal incorporation costs as well as initial advice from the local enabling hub and other professionals.
- 3.4. **Community Housing Fund:** the principal source of funding support by government to community-led housing, administered by Homes England/ GLA. The current £163m grant programme closed in March 2020 and the possibility of a successor fund being introduced is uncertain.

The current programme has both revenue and capital elements for groups which are constituted as a body corporate. The revenue element focuses on providing grant support to groups for project-specific costs, including, for example, community group capacity-building, seed-corn funding to get started; project-specific professional fees and costs, such as feasibility and design work; and planning applications, business planning and project management.

A requirement of the grant is that ten percent of costs come from an alternative funding source, and grant payments are made in arrears. Capital funding is provided through the Shared Ownership and Affordable Homes Programme (SOAHP). Groups can apply for capital grant for units that represent additionality to any section 106 allocation, although the programme requires that long-term affordable rented units are both owned and managed by a registered provider (RP), which can be a significant barrier for CLH groups.

- 3.5. **Oxfordshire Growth Deal Affordable Housing Programme (OAHP):** the OAHP is also a funding source for community-led housing. It has certain advantages over the SOAHP in that it does not require a RP to both own and manage the properties, merely requiring an RP to manage them thus leaving community groups which do not wish to pursue RP status to develop and own the properties and then seek a management arrangement with an RP. The programme also pays 90% of grant upon completion of contractual start on site so almost all the grant is paid before any ground or development works are required which can assist CLT with cash flow. However, the grant rates are fixed and are proving to not be those that can be sought through SOAHP

- 3.6. **Power to Change Homes in Community Hands Programme:** £10m grant programme to provide revenue grants of on average £50,000 (up to £100,000) to cover feasibility work, pre-planning work and post planning costs to get ready for on site. There is a focus on five geographic regions (Leeds City Region, Liverpool City Region, Tees Valley City Region, the West of England and the West Midlands metropolitan county). Applications from other areas will be considered on merit. The Programme will also support small number of projects (approximately six) with capital contribution to securing option on land (average £25,000 grant). The programme runs to Dec 2021.

Since Power to Change is a spend down foundation, there is limited expectation that the programme will extend beyond this date without a decision of further funding to the foundation.

- 3.7. **Crowdfunding:** several schemes have used crowdfunding to source initial monies to establish groups, either in the form of collecting donations or by entering into a joint funding arrangement between members. This is separate from the more formal, Financial Conduct Authority regulated activity of issuing community shares.
- 3.8. **Section 106/ Right to Buy receipts:** section 106 sites, section 106 commuted sums and Right to Buy receipts allocated by councils have been used by the CLH sector as a source of grant funding in several local authority areas, with examples of non-RP groups as well as RP registered groups benefiting from funds.
- 3.9. **Ad hoc grants from supportive foundations:** several charitable foundations have provided ad hoc grants to CLH groups for

projects, with the most active national organisations historically having been the Nationwide Foundation, Tudor Trust, Esmée Fairbairn and Barrow Cadbury Trust.

- 3.10. **“Sweat equity”:** most groups rely heavily on a cadre of committed individuals who provide time and expertise often for no-payment. This form of sweat equity is significant particularly in the early stages of establishing groups, determining local housing priorities and identifying potential sites.
- 3.11. **Risk Capital Internal Resources:** some CLH groups are lucky enough to have built an unencumbered asset base arising from previous development activity or from related activities. These have been used by these groups to act as the risk capital for future development, with [Glendale Gateway Trust](#) in Northumberland a good example – the organisation was able to use its initial endowment of £2.5m to fund the costs of converting a building into affordable accommodation.
- 3.12. **Joint Venture Partners:**
- **Registered providers:** a significant proportion of successful CLH development has been in partnership. The vast majority of these partnerships have been with housing associations. The nature of these partnerships varies, but often sees the CLH group entering into a development agreement with an RP, with the CLH group receiving freehold interest including ground rent, and the RP owning the resulting property on a long lease of up to 200 years. In these arrangements the RP often provides the risk capital from its own reserves as well as providing secured borrowing to acquire a site, take the scheme through planning and undertake construction.

- **Development partners:** other CLH groups have entered into partnership with supportive developers which in turn have access to development finance. These partners include socially motivated private organisations (for example Igloo Regeneration), local authority trading companies (such as Palace Green Homes in East Cambridgeshire), and charitable organisations (such as Bioregional Homes).
- **Resonance:** an alternative partner is the social sector finance fund manager, Resonance, which is in the process of launching a new fund that will provide both risk finance and secured lending to groups looking to develop income generating assets, particularly housing, sports and leisure and renewable energy generation. Groups will work in partnership with a pre-specified local organisation as well as Resonance to develop a business plan, submit planning and construct the assets. The fund will operate initially in three targeted geographies, principally Greater Manchester, Cornwall and Gloucestershire.

3.13. **CAF Venturesome Community Land Trust Fund Pre-Development loans:** CAF Venturesome runs a specialist finance fund offering CLT pre-development loans of up to £150,000 to cover costs of securing planning permission.

With support from [Power to Change](#) (an independent charitable trust), CAF are also able to offer some groups additional grant funding of up to £100,000 alongside the loans. Repayment of the loan is contingent on successful gaining planning permission, with principal potentially written off in the event of an unsuccessful planning application. A separate pilot pot is available to fund land purchases (up to £400,000) with a mix of grant and loan. To date,

the fund has focused on Community Land Trusts only, but the most recently launched Fund (February 2020) will now accept applications from other forms of community group which are focused on delivering affordable housing. Groups pay an interest rate of 5-10 per cent per annum, with investment repaid at successful completion of units.

3.14. **Community Shares Issues:** community shares are a relevant but nascent source of finance for CLH. Only a small number of CLH groups have successfully raised community shares, with just £1.5m raised through the main listing platform of Ethex to date. These include [Leeds Community Homes](#) and [London CLT](#).

Discussions with Ethex have indicated a relatively limited potential for community shares as a source of finance at early stages of development process. Key features of successful raises to date have been groups looking to raise capital for assets that are already constructed and where the risk to a prospective retail investor is lower than at the start of the development phase.

A number of development organisations have also issued mini-bonds, financial instruments which have similar features to equity in that capital is at risk and loans in many instances lack security, with the most successful again being launched post a site having been acquired. CAF Venturesome, as part of their CLH Fund, also offer standby facilities of up to £150,000 to raise community shares.

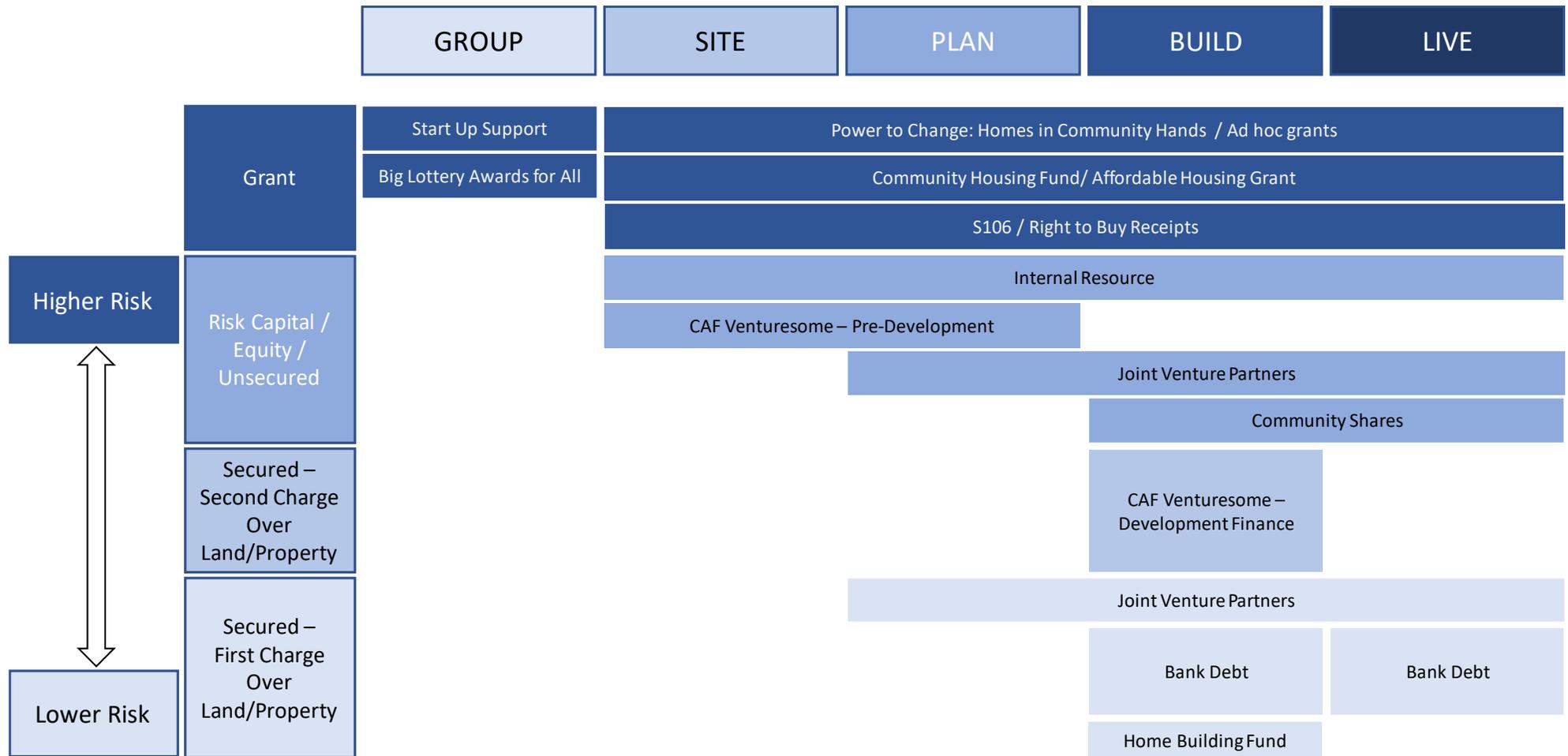
Lending

- 3.15. **CAF Venturesome Community Land Trust Fund Development loans:** loans post-planning to cover development finance in the range of £200,000 to £400,000. Loans are secured as a second charge over land with an interest rate of 5-10 per cent per annum
- 3.16. **Social Lending Banks:** senior lenders such as Charity Bank, Ecology and Triodos have been active in providing senior loans to CLH organisations. These banks can offer loans to cover development costs once land has been secured and planning granted, as well as providing long term finance, frequently on flexible terms that reflect the often-unique tenures delivered by the CLH Group. Loan to values of up to 95 per cent are possible during BUILD phase and a more typical longer-term loan to values of around 75 per cent in LIVE phase. Loans of up to £10m are possible, with terms of up to 20 years, and interest rates in the region of around 3-3.5 per cent over base rates (c. 4 per cent total).
- 3.17. **Mainstream financial lenders:** for larger schemes, those being delivered in partnership with more established organisations or by CLH groups with a track record, mainstream financial lenders can often be accessible. These not only include traditional high street bank lenders, but also mezzanine debt providers as well as specialist property funds. However, it should be noted that the atypical tenure types and resale and other covenants often present on CLH schemes can often be a major barrier to accessing mainstream finance.

- 3.18. **Government Home Building Fund:** The Homes Builders Fund is available to small businesses, community builders, custom builders and regeneration specialists, administered by Homes England. It offers loans either to fund development or to fund infrastructure spend to enable housing and prepare land for development.

Development loans are up to five years in length and infrastructure loans are up to 20 years in term. Loans are typically secured as a first charge against property assets, but the fund will consider subordinated lending in some instances. A scheme will typically require a minimum of five homes, except in the case of custom build or innovative housing. Interest is charged at commercial rates based on a margin over EC Base Rate for the UK (as of 4 March 2020 this matrix would imply a rate of between 1.6 per cent to 12 per cent per annum. depending on creditworthiness and collateralisation).

Table 1 Summary of funding landscape



Source: updated from Land and Buildings Bank: A funding solution for community led housing (E. Corrado, T. Rothery, and R. Speak 2019) – unpublished report for Nationwide Foundation and Power to Change

Funding Landscape Review

3.19. Securing funding for a project is a major challenge for CLH groups. Delivering a scheme often involves groups having to make applications to multiple funders and combine finance from a wide range of sources. Frequently, there is no guarantee that finance at future stages is available and there is a high degree of uncertainty throughout the process. This lack of a single financial pathway for groups is a major impediment to successful delivery of schemes and has secondary consequences often in terms of the credibility of groups entering commercial negotiations with landowners and builders. In particular, there are gaps in the ability of groups to secure upfront funding for land or the purchase of existing building for renovation and conversion, which inhibits successful delivery.

The sector also faces significant uncertainty in the funding landscape. Many of the sources of funds are not guaranteed and have limited life spans, which makes it difficult for groups to plan with certainty. This is compounded by the limited depth of the market in many cases, which means schemes may meet the financial criteria for successful funding but be crowded out by other projects. Additionally, the uncertainty over the future of the Community Housing Fund post-March 2020 and grant funding with Power to Change Homes in Community Hands limited to the next few years, risks having significant implications in terms of funding for early stage work in particular the funding for site investigations, securing sites and funding technical and professional fees associated with planning applications.

3.20. **Lack of dedicated funding for land acquisitions:** there is a clear gap in the funding landscape to assist groups acquiring sites. Groups struggle in land purchase negotiations to either show financial capacity to prospective land sellers or allow groups to make unconditional bids. Nationally groups which have been successful have often to rely either on:

1. Internal resources to acquire land or buildings for development; or
2. On benevolent land owners who accept deferred payment schedule; or
3. Rely on nil value land transfers from public bodies; or
4. Acquire de-risked sites either in the form of land with pre-existing planning permission or completed units.

The CAF Venturesome fund does offer some potential for site acquisition, but transaction sizes are often beyond its capacity and its current fund has the scope to finance only a small number of sites. CHF capital grant has also had the potential to support groups, however the terms of the grant agreement are often too restrictive for groups, in particular requiring rental units to be both owned and managed by an RP, and by paying in arrears groups are still left with a potential funding gap.

3.21. **Depth of market where it exists is often low with limited number of providers of capital:** the previous section illustrated that there is theoretically funding for grant, risk capital and debt for groups at every stage (with the exception of at-risk upfront land purchases). However, unlike the mainstream market groups are often faced with a sole provider of each form capital, which

means if an application is unsuccessful there can often be no alternative source of equivalent finance.

Funders often have specific requirements, for example CAF Venturesome has previously focused on providing funding for CLT's only with a majority of affordable housing, so other forms of CLH or groups with mixed developments have been ineligible for funding. Groups are often also competing for limited pools of capital, which means despite meeting the required financial and social criteria, applications are crowded out by projects in other areas. The absence of CHF grant funding post March 2020 will also have a significant impact on the sector given it dominates size in comparison to other grant funders.

- 3.22. **There is no single financial pathway:** by the nature of the sector funders often try to co-ordinate in supporting groups, however there is no single finance pathway for groups. A group may be successful in getting funding for a set of activities from one source and have agreement in principle for future finance from a second source, but still have a shortfall which needs to be found elsewhere. This gap can delay projects substantially and has been particularly marked for groups in relation to the post planning, pre-construction professional fees associated with detailed final design and tender documentation.

Even if there is no gap, delays in decision making can often have an impact on speed of delivery, particularly when decisions on later stage finance are conditional and require further review (for example, post planning decision). This uncertainty is not solely linked to the availability of the finance, but also its potential cost which can pose challenges for groups in developing business case and financial appraisals.

- 3.23. **Costs of funding are relatively high:** the cost of investment finance to groups is often perceived to be relatively high, particularly when considered against objectives of delivering affordable housing units. This is a reflection both of the external cost in terms of the headline interest rate, but also the internal costs associated with the time and effort to make multiple funding applications.

It also reflects the fact that transaction sizes are often relatively small, the source of funds coming from specialist funds that themselves are subscale, risks on developments are often perceived to be high due to groups lack of track record and the often more difficult sites that groups take on, and transaction costs are high given the unique nature of many development and ownership structures.

- 3.24. **As projects progress depth, availability and pricing of funding improve:** this is particularly the case at the point where projects are looking to secure development debt finance to fund construction (BUILD stage), with planning in place and where the group can provide security, typically over land. Similarly post completion long term finance is also more readily available (LIVE stage).

This finance typically comes from social banks, and the interest rates on debt available are typically comparable or better than that available from mainstream banks for self-build mortgages, albeit more expensive than residential mortgages.

- 3.25. **CHF and Power to Change funding uncertainty significant and will create gap in risk capital provision:** the £163m MHCLG-funded CHF grant programme has been a significant catalyst for activity in the CLH sector over the last four years, allowing a number of

groups to accelerate activity and in particular helping groups fund the upfront at risk activities of searching for sites engaging professional support to develop site plans and submitting planning applications. The CHF and associated MHCLG-funded programmes providing over £1.3m of support to groups, Hub and local authorities over the last four years.

The impact of this funding is evidenced by the progress made by Thame CLT and Oxfordshire CLT at Dean Court and Transition by Design with Champion Way over the last few years. In many respects the scale and focus of the CHF fund has helped address the under-capitalisation of the CLH sector and the shortage of appropriately priced early stage risk capital. The CHF programme in its current form ends at the end of March 2020, with activity needing to be completed by then. At present there is no clarity over whether there will be a successor programme of support and what form it might take, an issue which will only be exacerbated by the COVID crisis which has led to a lack of announcements for future funding for all forms of affordable housing.

Experience demonstrates that the prospect of a future grant programme launch is likely to delay activity with many groups preferring to wait to see if they can fund activity through grant rather than use alternative sources of repayable capital. The same applies to a smaller extent with Power to Changes Homes in Community Hands programme which is scheduled to finish at the

end of 2021, and there is no guarantee of an additional support unless Power to Change receive additional funding themselves.

It is worth noting that there is an important distinction between smaller and larger schemes. Larger schemes are often of a sufficient size to attract professional partners with bespoke financing solutions or be attractive enough to allow groups to partner with a mainstream finance provider, for example L&G involvement with the University of Oxford at Begbroke or the financing solution developed to deliver Graven Hill being case in points.

Implications of the Funding Landscape

- 3.26. The implications of the difficulties of the funding landscape are present in the rate of delivery of CLH homes across Oxford and the rest of the UK and are part of the explanation for the chasm between the aspirations of CLH sector and the overall number of homes which have been delivered. It is extremely difficult to quantify this impact, particularly given the multitude of challenges facing the CLH sector, but numerous studies have identified these financial challenges, not just for the CLH sector, but also for the SME house builder nationally.¹
- 3.27. **Reduced delivery:** the impact for delivery is pronounced. Securing land often remains the key impediment for groups to be able to move forward with a project and leverage funding to deliver

¹ 39 per cent of SME house builders reported access to finance as a major barrier to their ability to build more homes, according to the FMB House Builders Survey 2019, October 2019.

homes. Without a viable funding source for the acquisition of land, many groups remain in a latent aspirational state.

- 3.28. **Reduced credibility/site opportunities:** the lack of upfront funding sources for land has impacts not only on the ability of groups to acquire, but also the credibility of groups in searching for sites. Without evidence of the ability to finance land, call for sites by CLH groups are often viewed as not credible resulting in low response rates. Even when sites do become available and vendors wish to sell to CLH groups, it is often the case that groups are unable to meet vendors timescales, resulting in opportunities for incremental new home delivery being missed.
- 3.29. **Missed virtuous cycles:** the historical pattern of the Community Land Trust sector also illustrates the presence of virtuous cycles, whereby the success of early groups helps encourage and demonstrate to others the potential of CLH, leading to increased activity and home building. This is very much evident in areas such as Cornwall, Devon, Leeds, Sussex and East Cambridgeshire. This virtuous cycle also helps achieve a critical mass of activity, which in turn helps the viability of the associated supporting infrastructure such as enabling hubs and professional advisors, which are critical in helping the next wave of organisations meet their development objectives.
- 3.30. **Slower pace of delivery:** the other major impact from the current funding environment is that delivery timescales for CLH groups are typically longer. The absence of a single financial pathway and the need to often apply to multiple funders for different stages of a project results in additional time and effort being spent on securing finance than would be the case for a traditional house builder with a pre-agreed funding structure.

Additionally, the uncertainty that this lack of a single financing pathway introduces often leads to greater caution and contingency being built into business plans, again slowing the rate of delivery and reducing the number of sites which groups view as viable.

- 3.31. **Lower social and community benefits:** one of the responses of CLH groups to the challenges they face from the funding landscape has been to look at entering into partnership with other organisations. In the majority of cases this has been with registered providers, with a small number active in this area. Partners typically bring CLH groups the financial capacity to fund the purchase of land as well as development costs, and help groups resolve constraints on funding. They also often help share the risks associated with development, by being able to offer additional professional support as well as through absorbing cost overruns.

Deals are often structured with groups holding freehold interest in land, but partners retaining a long leasehold interest, potentially in some cases, for up to 200 years. The trade-off for groups in entering into partnership is often a loss of a degree of control over the development process, reduced influence over the use of the final homes as well as sharing the economics of any development gain.

For communities the impact of the partnership approach is often developments which deliver lower social benefits, are less in keeping with the communities' original objectives and where a significant amount of any financial benefits from development are lost to the local area.

Potential Solutions and Best Practice Examples

3.32. There are several successful interventions that have been undertaken in other areas and which could be considered by authorities and the Growth Board to help address the funding challenges facing CLH groups in Oxfordshire. These fall into two broad camps:

- **Direct interventions** make finance available at points where groups are currently underserved
- **Indirect interventions** reduce the funding needs of groups, particularly in relation to risk capital.

None of these solutions is a panacea for the multitude of challenges facing CLH groups. Those authorities which have intervened with one or more of the proposed actions outlined have done so in the wider context of ensuring a supportive operating environment to CLH groups in which additional barriers have been addressed.

This includes ensuring groups have easy access to professional support in a cost-effective manner, operate in a planning environment that is supportive to the groups aims and have clear political support in the local areas in which they operate. Additionally, this support has come in a form that offers clarity to groups and a permanence in design that provides groups with a degree of certainty around which business plans can be developed.

Direct interventions	Indirect interventions
<ul style="list-style-type: none"> • Grant programme • Loan/Risk Capital Fund 	<ul style="list-style-type: none"> • Preparation and supply of sites • Fostering RP partnerships • Establish Community Development vehicle

Direct Interventions

3.33. **Grant programme:** several councils have created grant funds to support CLH groups at critical points in their development journeys and to address specific funding challenges. These schemes have typically been administered by the local authorities concerned, although this does not preclude using an independent or local sector champion to perform this role. Grant programmes have supported both revenue and capital funding of projects. The effectiveness of grant programmes can be increased by defraying risk by paying recipients upfront (in stages) to avoid placing additional working capital strains on groups.

Case study: Leeds City Council

- Leeds City Council launched a capital grants programme using receipts from Right to Buy sales
- Scheme funded up to 30 per cent of capital costs of purchase and repair or development of new affordable homes
- Eligible costs including acquisition costs, as well as build and renovation works costs
- Targeted at community groups which are not eligible to access Homes England funding
- Funding provided in stage payments to groups
- Leeds City Council requires recipients to enter into a nomination agreement for 60 years from practical completion for 100 per cent of initial new lettings and 75 per cent of subsequent lettings
- Four organisations received funding with target delivery of 130 homes

Case study: Cornwall Council Housing Land Remediation Fund

- £1m fund to support the development of new community-led affordable housing
- The fund aims to tackle expensive to develop sites by helping get sites ready for development
- Funds can be used for a range of activities, including addressing abnormal ground conditions, soil contamination or flood risk. It does not cover any costs related to development which are expected to be financed separately
- Grants are paid in advance against an estimate of costs with a clawback clause in the event of underspend
- Recipients must be properly constituted community housing organisations. Registered P
- Providers can apply but must demonstrate genuine community engagement and support for the project

3.34. **Loans/Risk Capital Fund:** a number of local authorities have provided loan and risk capital finance to groups to help bridge gaps in the funding landscape. This funding has either been provided directly to groups or to a partner organisation which in turn acts as a development partner to the group (for example, from East Cambridgeshire District Council to Palace Green Homes, see below), or in the case of self-builders to individuals (for example Graven Hill mortgage scheme operated by Cherwell District Council). This approach has been particularly successful where it helps groups secure land/property and progress projects to a stage where senior lenders can be leveraged. The use of

funding has typically been to finance land or property purchases or provide groups with additional working capital.

- 3.35. A local authority can make a loan in connection with housing using powers either under Section 24 of the Local Government Act 1988 (loans) or Section 12 of the Local Government Act 2003 (investment), supplemented by General Power of Competence in Section 1 of the Localism Act 2011. The terms of these loans depend on the nature of the group's activity, but broadly fall into two categories to address state aid considerations:
- Loans or investment on market terms with the council acting in line with the Market Economy Investor Principle or;
 - Loans or investment for affordable housing which is deemed exempt from state aid regulation as a Service of General Economic Interest (SGEI).

Loans can be sourced from general reserves or through on-lending from PWLB and can be structured with any surpluses retained by councils. Depending on the way the investment is structured, and the repayment terms, the provision of finance in this form can have net negative or positive revenue impacts once allowance is made for any required Minimum Revenue Provision.

Case study: Cornwall: Loan Fund

- Cornwall Council has operated a revolving loan fund to community land trusts since 2009, with the most recent £4m fund launched in 2018
- Loans are provided to community groups constituted as Community Land Trusts looking to deliver all types of affordable housing and can be used to cover the costs of purchasing land or buildings or the construction and renovation of buildings
- Cross-subsidy schemes which include an element of market housing are permitted if they enable the delivery of affordable housing which would not be possible otherwise
- Loans charge interest at a market rate of 4.5 per cent and loans of between £75,000 to £1.5m are available for durations of up to 18 months
- Borrowers also pay an arrangement fee to cover administration and legal costs. Loans are available in multiple stage payments and are subject to a legal charge being secured
- A separate revolving loan fund for small Customer and Self Build sites has also been established

Indirect Interventions

- 3.36. **Preparation and supply of sites:** by preparing and de-risking prospective sites on behalf of CLH groups, councils have the potential to reduce the extent of financial barriers facing groups, including the extent of risk capital and grant that is required.

This approach effectively transfers an element of the financial risk to the council, however if done in partnership can avoid the risk of losing the social and community benefits arising from community-led housing. Cherwell District Council's actions at Graven Hill for self-builders are an example of a large-scale intervention, which reduced the risks to individual self-builders and offered individuals access to land in a way that substantially reduced the funding challenges.

- 3.37. **Fostering partnership between groups and development organisations:** an alternative indirect way of addressing gaps in the funding environment has been to encourage groups to partner with strong, like-minded, motivated organisations, which share the aspirations of groups, but are also able to provide both the professional and financial resources to deliver schemes in partnership with groups. In doing so these partners are able to help de-risk the development process for the CLH group.

Registered providers: these potential partner organisations have often, but not exclusively, been registered providers which are generally able to use internal resources as well as access to government funding streams such as the Affordable Homes Programme to help finance the delivery of new affordable homes.

Development companies: other example organisations including Bioregional Homes and Palace Green Homes. One of the additional key challenges is how to systematically develop relationships in an efficient way between CLH groups and potential partners. The example of Wessex Community Land Trust Project below illustrates how this can be achieved.

CLH schemes are often small, non-standard and in many instances located in areas which are not efficient for a larger housing association to manage. Consequently, there is not always interest to act as a development partner. In this instance it may be necessary to consider directly creating an organisation that can act as a development partner to groups. This organisation would need to possess a centralised set of professional resource and expertise. Critically it would also need to have sufficient funding to be able to fund developments on behalf of groups. An example of where this has been undertaken has been Palace Green Homes (see below) which was established and is owned by East Cambridgeshire District Council, with an express purpose of supporting community-led housing developments.

Case study: Cherwell District Council: Graven Hill Self-Build

- Cherwell District Council acquired the site from the Ministry of Defence in 2014, through the council's wholly-owned holding company and its development company subsidiary, with the original purchase funded from the Public Works Loan Board. The site will deliver 1,900 homes over a ten-year period of which 30 per cent are targeted to be affordable
- The council has undertaken a multistage planning process for the site with outline planning permission in 2014, a master plan, area design codes and local development order (LDO), covering what can and can't be built on each plot. The development company arranges for all infrastructure works to be completed and then sells plots to individuals
- Individuals acquire plots at "golden brick" stage with foundations completed (helping individuals to avoid facing 20 per cent VAT on the land transaction) with buyers having the option to either self-build or use a mix and match service where home is delivered by a pre-selected builder
- The combination of the LDO combined with the plot passport reduces planning costs and critically minimises the planning risks for purchasers. The purchase of plots with foundations completed also removes significant amount of financial risk to the individual and makes the raising of development finance more straightforward.

Case study: Wessex Community Land Trust Project

- Wessex Community Land Trust project established in 2010 as part of an action research project to support Community Land Trusts in Somerset, Dorset and subsequently Devon. Wessex Community Assets (WCA), a Community Benefit Society, has acted as the delivery agent for the project
- WCA provides end to end technical advice to community-led housing projects ranging from initial groups formation, business planning, site search and land acquisition. WCLT project delivers homes by acting as match maker between Community Land Trust groups and a range of local and national housing associations which are willing to finance and build homes on behalf of and in partnership with the CLT groups
- Post development, housing association partners typically retain a long leasehold interest in the properties and manage them as part of their overall stock. Project does not support groups wanting to develop independently or community groups which are not Community Land Trusts (although WCA are developing a separate service offer to cover both these aspects).
- The community benefits particularly from helping the selection of the preferred site and the design and may retain freehold interest and associated ground rent. A range of sites have been delivered, with majority reflecting rural exception sites
- Over 200 homes have been delivered through this approach, with the vast majority delivered by four housing partners: Hastoe Housing Association, Aster Group, Yarlinton Housing Group and Teign Housing

Case study: Palace Green Homes

- Palace Green Homes (PGH) established as a trading name in 2018 of East Cambridgeshire Trading Company Ltd (ECTC), a wholly-owned local authority company. ECTC operational since 2016, acting on an “arms-length” basis from East Cambridgeshire District Council
- Limited activity/interest from housing associations in working with CLT and other forms of CLH in East England. Provides “one-stop shop” development partner to community-led housing groups in East England, with a dedicated team of housing professionals. Closely aligned with operations of local CLH Hub
- Design led focus to deliver schemes that meet local needs rather than generic housing designs. Targets a positive developer profit margin with a target of double-digit return on investment, but at a level that is lower than market competitors
- Funded by initial £5m working capital loan from ECDC with additional loans provided from public sector organisations on a project basis. An initial £1.7m was repaid in December 2019, 18 months ahead of schedule
- As well as the Council receiving interest and principal repayments from PGH, the council records direct financial benefits from land receipts, Community Infrastructure Levy and section 106 contributions, which combined have totalled £1.6m as of end of 2019
- Operates in supportive planning environment with SPD supporting community-led development in place

4. Bringing Forward a Land Supply for Community-led housing

4.1. This element of the research aims to identify how a viable land supply could be developed for community-led housing. It reviews some of the current land opportunities and considers how these might be brought forward. Consultation and interviews were carried out with landholders and community groups.

Elements for consideration in identifying suitable land for community-led housing

4.2. CLH can be brought forward through a wide variety of forms, routes and mechanisms and involves a range of stakeholders, often with quite different motivations. In examining this further, a number of potential 'elements to be considered' were identified, with some of the key elements listed and considered below.

- Initiator/ Promotor
- Landowner and their motivation
- Community Group, their motivation, mechanism and legal form
- Transfer form, value/ cost and payment arrangement
- Land/Property form, location and type
- Development form and scale
- Tenure and resident group/ occupation restrictions

- Delivery and construction routes
- Member/ resident involvement
- Environmental objectives
- Funding sources

Initiator/ Promotor

4.3. New CLH projects may be initiated/ promoted from two potential 'directions', these being:

- **Community Group led:** a local housing need, or desire, identified and promoted by a group of local people, requiring a site or property to be found;
- **Land/ landowner led:** a piece of land identified and promoted to provide CLH, requiring a community group to be found or established to take forward development.

Part of the CoHo Hub's activities will be to act as 'matchmaker' bringing sites and groups together. At the stakeholder event there was recognition of the opportunity for partnership working between local authorities and the hub to build up knowledge about land opportunities that might be suitable for CLH and identifying potential groups for these sites.

Type of Landowner

4.4. The potential sources of land and/ or property will be numerous. Following our research these have been clustered into six key groups:

- **Private individual/ family:** this could range from a single property owner with a large garden looking at the potential for disposal and redevelopment to a farmer looking at the potential to develop some, or all, of their landholdings
- **Institutional land/ property owner:** such as private/ landed estates, universities/ colleges, etc. some with extensive historic landholdings
- **Investor/ funds:** potentially with strategic landholdings
- **Developer:** including volume house builders as well as small and medium sized custom enabling developers
- **Registered provider:** previously known as housing associations or registered social landlords, varying considerably in terms of size and local/ community involvement. Small, locally focussed, associations, some established as mutuals, consider themselves as community housing providers, other larger associations, especially those resulting from mergers, are more removed from the communities they serve. Where affordable housing is to be provided an RP will, ordinarily, need to be involved, although a community group could seek registration as an RP;
- **Public body:** including local authorities, at county, district and parish levels as well as health trusts.

Landowner Considerations

- 4.5. Considering the range of potential landowners, it should be noted that these organisations may focus their activities on their core business/ key objectives and will be looking to use their landholdings and other resources to support that core business.
- 4.6. Some of the landowners identified, especially those with more historic landholdings, may have a very long-term view of investment activities.
- 4.7. In addition, some landowners, particularly local authorities and charitable organisations may have restrictions around disposal, e.g. achieving 'best value'

Landowner Motivation

- 4.8. The land/ property owner's decision to use or promote landholdings for CLH will be motivated by either:
- **Choice:** with objectives including achieving a financial return, disposing of assets identified as surplus to requirements, looking to deliver housing, possibly including for staff/ key workers, providing some form of community benefit and providing more diverse housing opportunities (some of these objectives may form part of an organisations existing key objectives such as a local authorities responsibility for housing or a religious organisations social objectives);
 - **Obligation:** such as through a planning condition or obligation imposed by the local planning authority.

4.9. There are several potential benefits to landowners from meaningfully involving local communities in the shaping and long-term stewardship of housing development. These may include:

- Increased local support which lowers risk through the planning process
- Potential to bring forward land as ‘exception’ sites providing affordable housing for local people
- Identified groups providing end user residents and purchasers reducing potential sales risks and void losses
- Potential for providing accommodation for local workers assisting in staff retention and recruitment
- Access to community and private finance which reduces the need for high-risk commercial borrowing
- Improved relationships with local communities within which you operate
- Opportunities for corporate social responsibility and public relations activities and events

Community Group

Depending on the location and type of CLH opportunity being considered, the community group may be established from one of three potential starting points:

4.10. **New start-up group:** grassroots ‘start-up’ groups responding to housing need or demand, or people seeking to deliver their own homes

4.11. **Existing community-led (housing) organisation:** existing community-based organisations with local roots decide to provide housing in addition to their current activities, or increase their existing provision, for and on behalf of the local community

4.12. **Developer-led partnership:** a local authority/ landowner/ housing association or small builder wants to provide housing that benefits the local area. They access community-led housing expertise to recruit ‘founder members’ from within the community and support them to take over ownership/stewardship and/or management of the homes, or they may support an existing group or organisation to deliver their ambition.

Community Group Motivation

The underlying motivation of a community group could be to:

4.13. **Meet members’ needs:** a group established to meet the specific needs of the members (a community of interest), could simply be a group of individuals or families looking to self-finance and communally develop housing to meet their own housing needs. The benefits are limited to the households directly involved. Such groups may be less well supported, especially where seeking discounted land and/ or grant subsidy. However, there are often quantifiable social impacts such as the reduction of isolation and loneliness and reduction in carbon footprints of those living in the scheme.

4.14. **Develop a community benefit in perpetuity:** perhaps the more accepted motivation, providing some long-term benefit (usually affordable housing and other community assets) to the wider community rather than just meeting the needs of limited membership;

- 4.15. **A combination of the two:** it is possible that a CLH scheme could be developed to meet a combination of the two above, potentially with some element of cross subsidy allowing the 'market' housing to assist in the delivery of more affordable housing for local people.
- 4.16. The groups may take a variety of forms and different legal entities which will depend on their aims and the way they want to structure their financial model.

How Land is Transferred to Community Groups

This can be done in a variety of ways:

- 4.17. **Community Group acquires freehold:** full ownership of the land or property will then rest with the group, or be split and sold to individual occupiers;
- 4.18. **Community Group acquires long leasehold:** the freehold interest is held by the landowner or another party and a leasehold interest is granted to the group, possibly for 99 to 125 years, or even longer. The CLH organisation may then grant tenancies or sub-leases to individuals to occupy;
- 4.19. **Community Group acquires limited leasehold:** again, the freehold interest is held by the landowner or another party and a short leasehold interest, up to seven years, is granted, on a rolling basis. This allows the asset to remain on the freeholder's accounts. The CLH organisation may then grant tenancies or sub-leases to individuals to occupy;
- 4.20. **Community Group secures management agreement:** ownership is retained by the landowner or another party and the group is granted a management agreement, tenancies or leases are granted by the freeholder to individuals;

- 4.21. **Community Group acquires freehold and grants long leasehold to an enabling partner:** where the freehold is acquired by the group, they may wish to pass a leasehold interest to an enabling partner, such as an RP, in order to allow them to take on some or all responsibility for funding, development and long-term ownership and management.

Expectations of transfer value and cost

- 4.22. Where the transfer of land or property, whether freehold or leasehold, is an option, a key consideration will be the value/ cost expectations of the vendor. Landowners with limited experience of the land market may have unreasonable expectations, which may be difficult to change. Any land or property purchase should be supported by an independent assessment of value.

- **Market value:** payment will reflect the full current market value, supported by an independent valuation and based on comparable land sales in the local area, allowing for any site abnormalities.
- **Discounted:** purchased at a price below the current market value, this discount may be offered for a variety of reasons, in order to support the proposed development, provide some community benefit and assist in the delivery of more affordable housing or help to diversify housing options available.
- **Free/ nil cost:** another form of discounted purchase where the value agreed/ cost paid is nil
- **Discounted or free with clawback or overage provision:** in certain instances, vendors may agree to discounted or nil cost disposals based on the site being developed for a

specific use and/ or generating a fixed gross development value (GDV). Provisions may be included within the purchase contract for additional payments to be made to the vendor should the use or GDV vary from that originally anticipated.

- 4.23. Where land or property may be secured at a discounted or nil cost, care should be taken to ensure that any reduction from market value will not be considered as a public subsidy with regard to any claim for additional grant funding, especially where land is acquired from a public body.

Transfer Payment Arrangement

- 4.24. Where payment is being made, whether for a freehold or leasehold interest, the payment structure may be one of the following:
- **Single capital payment:** usual payment method for a freehold purchase, possibly split between a deposit payment at exchange of contracts and the balance paid at legal completion of the land or property purchase.
 - **Deferred/ staggered capital payment:** this may be adopted through agreement between the vendor and purchase in order to assist in terms of cashflow for both or either parties, this may be a potential benefit to the landowner, especially on larger, phased schemes.
 - **Annual/ revenue payment:** more usual for leasehold purchases.

Land/ Property Form and Location

- 4.25. It is likely that the land/ property will take one of two forms:

- **Standalone:** land or property which is sold/ interest transferred as a standalone/ discrete property.
- **Part of larger site:** mostly likely land, possibly properties, which form part of a larger private development or, potentially, a larger CLH/ Custom or Self Build (CSB) development, perhaps secured through a section 106 requirement.

- 4.26. The land/ property secured for a CLH development, could constitute any of the following:

- Urban
- Suburban
- Rural
- Brownfield
- Greenfield

Development Form and Scale

- 4.27. CLH development, whether houses or apartments, may come forward in one of the following forms:
- Just housing or include other community assets such as common houses/allotments, cafes or commercial building.
 - Sizes can range for the very small (fewer than five homes) to over 50 homes -although commonly schemes tend to be between 10 – 40 homes.

Tenure

4.28. CLH may deliver a wider variety of tenures than other developers.

- Social rent
- Affordable rent
- Rents that are affordable but don't conform to the standard affordable definitions
- Shared ownership
- Shared equity
- Mutual home ownership
- Discount market sale -often with a resale price covenant
- Market rent
- Market sale

Occupancy restriction

4.29. Occupation restrictions may be placed on a development either to ensure that a group's specific objectives are met, to satisfy possible planning requirements or conditions associated with a site or property purchase. Where such restrictions are adopted, clear policies and procedures need to be established to ensure that decisions can be clearly evidenced and justified.

- **Open to all:** no restrictions applied
- **Local connection:** selected applicants to have a connection to the local area, such as a parish, connection may include normal residence (current or previous), employment, family connections and possibly special circumstances

- **Housing need:** the allocation of housing, particularly affordable, may be subject to a proven housing need, this may be managed through the LA allocations policy or choice-based lettings system
- **Financial requirements:** restrictions may include a requirement, again particularly for affordable housing, for a household's income to fall below a certain threshold in order to evidence their difficulty in securing housing on the open market, whether rented or for sale. Alternatively, a restriction may be imposed ensuring that households seeking market housing have an income above a certain threshold to ensure that they are able to afford the properties available.
- **Specific groups:** where developments are undertaken to provide housing for specific groups such as over-55's/ older persons, women, multi-generational living, additional restrictions may also be applied.

Delivery and Construction

4.30. The delivery of a project can be undertaken through two primary routes

- **Direct procurement:** where the community group directly appoints consultants and contractors to undertake all works including surveys and investigations, design and construction
- **Partnership with a third party:** such as a registered provider, 'parent' Community Land Trust or other party, in order to bring on board specialist skills, access to land and possibly funding

- 4.31. The procurement of construction services can be achieved through one of the following options:
- A land and build package with a developer
 - A managing main contractor on a design and build basis
 - Custom build, a group working with a contractor/enabler
 - Self-build, the group directly organises the design and construction of the homes often doing at least some of the construction work themselves
 - Self-finish, the group procures the construction of the homes to a watertight shell and then completes the internal fit out

Member/ Resident Involvement

- 4.32. Dependent on the objectives of the group, the type of properties being developed and the skills and experience available within the group, the level of member/ resident involvement may include any of the following. The elements to be delivered directly (hands-on) by the group need to be clearly set out from the outset along with the external resources required to be procured.
- **Design:** it is likely that external design/architectural services will be required, however, it is important that the group is involved in the development of the project brief, scheme design and specification
 - **Construction:** involvement in the direct construction of the project will be dependent on the objectives of the group,

skills available and the construction route selected, especially regarding self-help and fit-out/ self-finish

- **Management and/ or Stewardship:** including properties and external areas.
- **Ownership.** the group will ideally want to retain ownership of the development

Standards and design

- 4.33. Community groups will often want to achieve environmental objectives on behalf of their community and to increase affordability by achieving lower running costs. The level achieved will depend on the budget available and the balance between affordable housing costs and quality of the build. Some schemes will also want to achieve communal environmental objectives such as car free schemes, open space and growing areas.

Funding

- 4.34. The funding sources available will depend on the type of housing being delivered and the delivery route chosen.

Potential archetypes for community-led housing

- 4.35. Considering the elements set out above and the possibilities as to how these can be combined, the potential routes to delivery are far too numerous to consider all in detail. Through the research undertaken and the interviews conducted, five common archetypes have been identified, as listed below. These have been chosen based on the most common opportunities for CLH

as identified by groups. The archetypes provide a framework to explore key characteristics, barriers and possible requirements associated with certain sites.

- **Section 106 Requirement on Larger Private Development:** custom and self-build (or community-led) housing
- **Exception Site:** Rural and/ or Entry-level
- **Benevolent Landowner:** off-market purchase
- **Public Land/ Property Transfer**
- **Open Market Purchase**

Section 106 Requirement on Larger Private Development - Custom and Self Build (or community-led) Housing

- 4.36. Under the 'Right to Build' legislation local authorities now have a duty to hold a register of individuals and groups interested in developing custom and self-build housing within their areas. In addition to this there is a requirement for local authorities to have regard to the register and ensure that enough planning permissions are granted to satisfy this demand.
- 4.37. In order to achieve this, local authorities are beginning to introduce 'percentage' policies requiring developments over a certain size to provide a percentage of the plots developed for CSB housing. Policies introduced to date range in scope, but a typical example requires any development over 100 units to provide five per cent of plots for CSB.
- 4.38. The introduction of such policies is still in its infancy and the detail of how this will work in practice and the results generated remain to be seen.

- 4.39. It would seem reasonable to assume that such opportunities could equally be secured for CLH (see the support section below). It should be noted that developers may have high expectations of the potential financial return especially in comparison with 'open market' CSB. However, a sale to a single, already identified, community-led group may be attractive to a developer, rather than the need for marketing and sales to several individual purchasers.
- 4.40. The requirement for CSB housing, and possibly CLH, will be imposed by the local authority as a planning condition or obligation, usually set out within a section 106 agreement or similar. The terms of any such agreement will be agreed between the landowner/developer and the local authority, probably far in advance of any community group being identified or established. The terms of the agreement will need to be tight enough to ensure that the objective of true CLH is achieved but allowing enough flexibility for the community group to influence/control delivery.
- 4.41. As with all CLH projects the community group will be key in securing delivery. With section 106 CSB/ CLH requirements on larger sites it is possible/likely that this will require a new community group to be started up from scratch, unless an existing group can be identified locally. This will require the identification of locally-based individuals or organisations with relevant skills, experience and local connections to assist in identifying and assembling a steering group to be developed into a solid community group to take the project forward.
- 4.42. There is limited understanding of CLH outside of the sector. There may be some knowledge of specific, perhaps, local, schemes but

limited recognition of the potential scale of interest and demand for such opportunities. There is also a nervousness around the potential difficulties in the process of delivering CLH, often involving individuals with, perhaps, limited development knowledge and experience. The adoption of clear processes and experienced advisors would assist in increasing the confidence of landowners and developers.

Key characteristics	
Initiator/promotor	Landowner/developer
Landowner motivation	Obligation – planning condition/obligation
Transfer	Potentially freehold and potentially discounted
Land/property form and type	Part of larger site, serviced site/plots
Development form and scale	Self-contained homes, potentially communal facilities, five to more than 50 homes
Tenure(s)	Potentially mixed tenure
Resident group/occupation restrictions	Potentially open to all, possibly local connection

Exception Site

- 4.43. Affordable housing for local people in rural areas has long been delivered through what are referred to as ‘rural exception sites’ (RES). These are sites, which would not normally be granted planning permission for residential development, especially for private market housing, but may receive permission as an exception to general planning policy for affordable housing (social rent, affordable rent or shared ownership) for local people in perpetuity provided that this is secured through a planning obligation, the housing need can be clearly evidenced and the relevant parish council is in support.
- 4.44. More recent planning guidance now allows an element of market housing to be included within such sites in order to assist in scheme viability and allow sites to come forward.
- 4.45. The National Planning Policy Framework (NPPF) also requires local planning authorities to support the development of entry-level exception sites, suitable for first time buyers (or those looking to rent their first home). These sites should be on land which is not already allocated for housing, should comprise entry-level homes that offer one or more types of affordable housing as defined in the NPPF, be adjacent to existing settlements, be proportionate in size and comply with any local design policies and standards.
- 4.46. This exception site mechanism could be adopted for CLH, although the housing provided, or at least an element of it, will need to be either truly affordable housing or satisfy the definition of ‘entry level’, possibly including the Government’s new ‘First Homes’ housing initiative

- 4.47. These sites will generally require a housing needs survey to identify need and demand and the support of the Parish Council. The requirement for affordable and/ or 'first homes' housing will be imposed by the local authority as a planning condition or obligation, usually set out within a section 106 agreement or similar. The terms of any such agreement will be decided between the landowner/developer and the local authority, probably in consultation with the parish council and, possibly, the community group, if established/ identified. The terms of the agreement will need to be tight enough to ensure that the objective of true CLH is achieved but allowing enough flexibility for the community group to influence/control delivery.
- 4.48. As exceptions these sites can be complicated to bring forward and land values and expectations can be unclear as landowners need to be clear that only affordable housing can be developed reducing the value of the land.

Key Characteristics	
Initiator/promotor	Landowner or community group
Landowner motivation	Choice – bring forward land not currently developable, some financial return
Transfer	Potentially freehold and potentially discounted
Land/property form and type	Stand alone, rural, unprepared site
Development form and scale	Self-contained homes, potentially communal facilities, five to more than 20 homes
Tenure(s)	Mostly affordable rent or shared ownership with possibly some market sale to cross subsidise
Resident group/occupation restrictions	Local connection, housing need

Benevolent Landowner Off Market Purchase

- 4.49. Many CLH projects have been made possible by the offer of land, property or finance at a discounted or nil cost. This is dependent on the presence of benevolent and/ or civil-minded individuals or

organisations with a desire to assist local communities in securing affordable housing solutions.

- 4.50. The development of CLH, particularly for affordable housing, will, ordinarily, require some form of discount or subsidy in order to be financially viable. The ability to secure land or property at a discount or nil cost will, obviously, boost the viability of any scheme, as will the provision of funding or the ability to access finance at a reduced cost.
- 4.51. Where resources are provided at a discount or nil cost landowners may impose some restrictions in return for this discount, possibly around a requirement for the housing to be affordable in perpetuity, for local people, or some form of clawback or overage provision.
- 4.52. Where landowners are locally based with historical connections with the community, possibly including a reliance on the local population for staff, the opportunity to contribute to meeting local housing needs may well be welcomed, especially if seen as a legacy, or potentially improving relationships with the community. Larger organisations may consider involvement in the development of CLH to help achieve their wider social responsibilities including corporate social responsibility (CSR) objectives.
- 4.53. Local community groups will be well placed to understand their community, including the housing needs that exist, potential sites that may be suitable, and available, and contacts or relationships with local landowners. Such local knowledge and connections may allow potential sites to be identified and secured before they are made available on the open market.

Key characteristics	
Initiator/promotor	Community Group
Landowner motivation	Choice, some financial return, legacy
Transfer	Potentially freehold or leasehold and potentially discounted possibly with a clawback or overage provision
Land/property form and type	Stand-alone site, unprepared site
Development form and scale	Self-contained homes, potentially communal facilities, five to more than 50 homes
Tenure(s)	Potentially mixed tenure
Resident group/occupation restrictions	Potentially open to all, possibly local connection

Public Land/ Property Transfer

- 4.54. The various public bodies listed above, will, from time to time, look to dispose of land or properties as they become surplus to their requirements, no longer meet their key objectives and are seen as a potential opportunity to generate some financial return to support those key objectives.

- 4.55. There is an ongoing internal tension within public bodies between maximising the financial return achieved for reinvestment, often through sale on the open market, and considering other potential, social, economic and environmental benefits which may be achieved through promoting the scheme for other potential uses, such as CLH. Many organisations are required to evidence ‘best value’ when disposing of assets, especially local authorities and charitable organisations.
- 4.56. Councils have powers to dispose of land under the Local Government Act 1972 and circular 03/O6 gives a general consent for disposal under best consideration where it will promote the economic, social or environmental wellbeing of local inhabitants. This consent covers any undervalue up to a maximum of £2m. However, where the land is disposed for rental or leasehold properties and the immediate landlord is not the local authority then section 25 of the Local Government Act 1988 applies.
- 4.57. This requires the consent of the Secretary of State unless it falls into one of the exemptions listed. These exemptions generally apply to disposing of the land to an RP. Although there is another exemption that could apply where there is a gratuitous benefit for any purpose up to a maximum of £3 per head of population in any financial year. Where community-led groups are not RPs or working in partnership with an RP Secretary of State consent may be required but is unlikely to be withheld. State aid issues may also apply.
- 4.58. The hub and the wider sector network are working on tools that can help landowners quantify the social benefits that the scheme provides. For example, the Bristol Social Value Calculator. This calculator enables organisations to demonstrate the additional

economic, social and environmental benefit created when they perform activities the Council commissions and/ or invests in.

- 4.59. Feedback from the stakeholder event identified a desire to understand how social impact can be quantified in land value.

Key characteristics	
Initiator/promotor	Landowner
Landowner motivation	Choice, some financial return, deliver housing, possibly surplus to requirements
Transfer	Potentially freehold and market value, possibly discounted, potential clawback or overage provision
Land/property form and type	Standalone or part of larger site, unprepared site or existing building
Development form and scale	Self-contained homes, potentially communal facilities, five to more than 50 homes
Tenure(s)	Potentially mixed tenure
Resident group/occupation restrictions	Potentially open to all or could meet a community of interest in line with the landowners aims and objectives

Open Market Purchase

4.60. Potential opportunities will become available on the open market. In such cases community groups looking to develop CLH will need to compete with other potential purchasers, possibly including private developers.

Community groups will need to be able to react quickly and professionally when looking to submit offers for such opportunities. This is in terms of the priced offer and in terms of process to purchase

Community groups will need to be well-networked to hear of potential opportunities

Key characteristics	
Initiator/promotor	Landowner
Landowner motivation	Choice, financial return
Transfer	Freehold and market value
Land/property form and type	Standalone, unprepared site
Development form and scale	Self-contained homes, potentially communal facilities, possibly mixed use, five to more than 50 homes
Tenure(s)	Potentially mixed tenure
Resident group/occupation restrictions	Potentially open to all

Two further routes to consider

Difficult to Develop Sites

4.61. A further, potential, archetype or route to delivery could be through the identification of more difficult to develop sites or properties. All the landowners listed above may well have land or property which, for one reason or another, are difficult to develop and so sit at the bottom of their list of potential sites and are unlikely to be progressed at least in the short- to medium-term.

4.62. This may then present opportunities for CLH, if community groups accept that accessing these sites may require extensive, and potentially abortive, upfront work. Difficulties may be around:

- Small size of site and potential scale of development not being financially viable for the landowner;
- Accessing the site, requiring negotiation of access, purchase of a ransom strip, highways alterations;
- Need for remedial work relating to existing structures, contamination, ground conditions, etc;
- Relocation/ accommodation of existing uses.

4.63. There may be scope for the cost of addressing these issues to be negotiated off the purchase price for the land/property.

Strategic Land Purchase

- 4.64. All the archetypes listed above are reliant on other parties bringing forward land. It can be argued that if CLH is to become a more mainstream route to delivery then a more strategic approach to the acquisition of land should be considered.
- 4.65. Volume housebuilders dedicate time and resources to identifying and securing strategic landholdings, often through long term options, promoting sites through the Local Plan process and securing allocations for development.
- 4.66. The CLH sector could consider securing land in a similar manner. However, there are several questions which need to be considered:
- 4.67. **How could such a fragmented network look to secure land at a more strategic level?** Most CLH developments are relatively small scale and brought forward by small, independent, community groups. There could be a role here for the CLH Hub network, the various sector representative bodies such as The Confederation of Community Housing, UK Cohousing Network or the National Community Land Trust Network, as well as Homes England. Should a financially viable model be developed which could generate a financial return then investors and funds could be encouraged to invest.
- 4.68. **How would this work if we are looking to provide housing for locally identified needs?** Again, as with the volume housebuilders, once strategic landholdings are secured then these could be traded with other developers and landowners in order to secure more geographically suitable land which meets identified demand for CLH.

Identified Barriers, Challenges, Opportunities and Benefits

- 4.69. Throughout the interviews conducted with community groups, landowners and others, several key barriers and challenges, as well as potential opportunities and benefits of CLH were identified and discussed. These are briefly reviewed below.

Barriers and Challenges

- 4.70. **Access to land opportunities:** much of the land in Oxfordshire is held by organisations with extensive historic and strategic land holdings, therefore, restricting potential access by others. The more historic landholdings rest, in the main, with the University of Oxford colleges, which, as stated elsewhere, take a relatively long-term view regarding asset management and are proving difficult to engage in discussion. Several strategic landholdings, particularly around the edges of the larger conurbations have been secured by investor funds and volume housebuilders.
- 4.71. **Cost of land:** as is well recognised, housing is in high demand in the Oxfordshire area and so property prices are high, when compared nationally, and this high price also feeds through to the price of land. This, therefore, makes it particularly difficult for groups looking to develop some form of more affordable housing to achieve expected land purchase prices.
- 4.72. **Competition for land:** the high demand for land and the difficulty in accessing land opportunities, mean that competition is intense when land is identified and made available, especially through the open market.

- 4.73. **Ability to act quickly:** some groups, particularly those newly formed, may find it difficult to respond to land opportunities, especially where unconditional offers are required. This difficulty may be around a lack of experience and knowledge (particularly around land purchase and negotiation), a lack of clear objectives for the group, limited understanding around funding and potential conditions related to any funding secured.
- 4.74. **Dealing with commercial developers:** through several responses in interviews it is apparent that some developers adopt certain practices when looking to secure land or property. Specific examples include conditions/ obligations within purchase documentation and/ or planning agreements being accepted at the time of offering, although possibly not priced within the offer, but then being removed or negotiated out as the land purchase negotiations progress.

Opportunities and Benefits

- 4.75. **Local knowledge and connections:** locally-based groups with knowledge of the local area and connections with local groups and individuals may allow land/ property opportunities to be more easily identified and local support to be more easily generated, possibly leading to financial support, particularly through discounted land.
- 4.76. **Possibility of increased densities:** especially where developed on a more co-operative/ Cohousing model, increased densities may be achieved through the provision of shared external spaces rather than individual gardens and a reduced reliance on individually owned cars, both requiring less space to be taken up (by gardens and parking spaces). Increased densities may enable a greater

GDV to be achieved and so a greater land value/ offer to be generated.

- 4.77. **Improved local support for planning applications:** where planning applications are progressed with genuine and meaningful local consultation, taking into account the views of local people and addressing local needs, particularly delivering affordable housing for local people, it is more likely that such applications will be supported and receive less objections.
- 4.78. **Bring forward sites as exceptions to Local Plan policies:** using CLH as a way to deliver affordable housing or entry level housing for local people, through an exception site application, may allow sites to be brought forward which would not otherwise receive planning permission for development.
- 4.79. These challenges and opportunities lead to several recommendations in section six of this report. A fund for groups seeking land could help position groups to act quickly when an opportunity arises and considering social impact as part of a land valuation could help groups compete for market sale purchases and public bodies to consider under value disposals. By working in partnership Coho Hub and LAs could identify sites and 'matchmake' to community groups which can unlock land that other developers may not have the time or resource to do.

5. Creating a conducive environment and effective support systems

How to support the growth of CLH: Lessons from across England

- 5.1. This report has highlighted access to land and finance as the key issues which constrain activity. However, what often makes these barriers ever more intractable is a lack of skills, knowledge, human resources, and a political and policy environment which would enable access to the key ingredients of land and finance. Hence, if CLH is to grow across Oxfordshire there is a need for a policy and political environment that shifts the balance in favour of CLH, alongside strong systems of support for groups.

Building a supportive policy and political environment

- 5.2. In recent years, as the number of CLH groups has grown, local authorities have started to attune their policies to support this activity. Through planning policies, housing strategies, asset management plans or other policy instruments, the additional value of CLH is increasingly recognised.
- 5.3. Some local authorities have targeted specific interventions. For instance, Bristol City Council have long held a desire to in see CLH develop in the city. From 2011, they were providing small amounts of funding to develop the city's first CLT and made a site available for its initial scheme. This has shaped political support, with the mayor setting an aspiration for 300-500 CLH homes in the city in the coming years. In its Housing Delivery Plan 2017-

2020, the Council set out a commitment to work with CLH groups to deliver new homes.

- 5.4. This has been backed up with development of a CLH Land Disposal Policy (CLH LDP). The CLH LDP provides for social value to be taken into account in the disposal of sites, in a way that accords with the Council's Social Value Policy. It is applying this policy to dispose of sites with the capacity to deliver between 3-10 homes, with four specific sites identified as suitable for delivery via CLH.
- 5.5. Other local authorities are slowly shifting their policies to reflect the needs and potential of CLH. York's Local Plan has explicitly defined self-build housing to include CLH schemes, bringing it within scope of the associated policies. Elsewhere, Birmingham City Council has been working with local stakeholders to develop a dedicated CLH policy, to help define a process for their engagement with schemes.
- 5.6. Creating the political backing for CLH, and embedding this in policy, can take time. However, East Cambridgeshire District Council shows how different policies and interventions can be aligned to create an effective mechanism for CLH.
- 5.7. Local political support for CLH has been invaluable in some areas. Having a local Councillor act as a CLH 'Champion' is one possible option for engendering support and sponsorship at a senior level.
- 5.8. The Community Housing Fund has provided revenue support for certain local authorities to build their knowledge of, and support for, CLH. The challenge is to translate this resource, and growing interest, into firm policy changes. This requires looking at existing policies to see how they can be refined (or implemented

differently) to support CLH for drafting dedicated policies and strategies to show how support for CLH will be offered.

Case Study: Embedding CLH in policy - East Cambridgeshire District Council

East Cambridgeshire's Local Plan 2015 contains the policy 'GROWTH 6: Community-led development'. This dedicated CLH policy sets out general support for such development, and specifically how affordable housing may be permitted outside of development envelopes by specific bodies meeting wider requirements, notably that the scheme was initiated by, and is being led by, a legitimate local community group such as a Parish Council or Community Land Trust and that the scheme has general community support, with evidence of meaningful public engagement.

In addition, the authority has created a Supplementary Planning Document (SPD) to provide guidance on how 'GROWTH 6' and other Local Plan policies should be applied when proposals for community-led development come forward. This includes what information should be required within planning applications. The SPD contains a presumption in favour of affordable CLH projects when considering proposals outside development envelopes.

Alongside this, the council has been instrumental in creating Palace Green Homes (PGH). A development arm of East Cambridgeshire District Council's trading company, PGH was formed to support CLH groups and other affordable housing projects locally, often reducing financing issues for groups and identifying sites for potential CLH developments.

Building the support infrastructure

- 5.9. A conducive policy environment is important, but CLH groups often need significant advice and technical support to develop their ideas, their organisations, and their housing schemes. It has become widely recognised that enabling hubs are a central component in the success of CLH at a local level. Across England, these hubs are developing rapidly, receiving crucial resource from a range of funders, including government.
- 5.10. Hubs undertake important functions in supporting CLH groups, and these are explained at length in recent research for Power to

Change2. These functions may be summarised as helping groups to:

- Understand their values and objectives and the different legal forms they may adopt
- Explore different ways of developing community-led housing
- Identify potential sites
- Develop viable business plans and financial plans for schemes
- Build local interest in the project
- Understand the range of funding, finance, development and management;
- Improve their approaches to governance, management and community organising
- Access technical support from professionals;
- Build relations and negotiate with a range of stakeholders including landowners, developers, and local authority officers
- Manage a build or development process
- To explore and put in place arrangements for management of housing after completion

5.11. Outside of these functions, hubs have an important role in helping stakeholders understand how they can create the right

conditions for CLH, whilst also stimulating public interest in this activity. Hubs also have the potential to develop their own land holdings and housing schemes, and in ways that can reduce the risks and burdens of scheme development for local groups.

5.12. It has become clear in recent years that where an effective enabling hub is developed, this can directly support CLH groups facilitating access to land and finance and helping to shift local policy. In these circumstances CLH homes are much more likely to come to fruition. This is clear from evidence in places like Cornwall, Wessex, the East Midlands and East of England, where the presence of longstanding hubs correlates with larger numbers of active groups and CLH homes.

² Lavis and Duncan (2017). *Delivering a Community-led housing Enabling Hub Service*. London: Power to Change

Case Study: An effective enabling hub - Leeds Community Homes

Leeds Community Homes (LCH) was formed in 2015, as a collaboration of organisations and individuals keen to improve housing in Leeds. After an initial phase scoping their values and objectives, LCH set an ambitious goal to develop 1,000 homes in 10 years. Early effort was invested in developing their own schemes, and they ran a highly successful community share issue in 2017, which raised £360,000. This money was tied to a specific scheme, enabling them to acquire 16 affordable units from the development of a larger scheme. Alongside this, LCH received a grant from Power to Change to expand their enabling support for aspiring CLH groups in the Leeds and surrounding area.

With this latter funding, alongside other income streams, LCH now employs a full-time director, several part-time advisors who support groups at an early stage, and a part-time development director helping deliver projects at planning and build phases. Alongside this, LCH has developed a portfolio of associates for professional services. This has enabled an expansion to supporting groups in neighbouring authorities, partnering with organisations in North Yorkshire and other hubs nationwide. LCH is rapidly expanding the number of groups and schemes it is supporting, as exemplar schemes in the city drive interest among the public.

LCH continues to explore bringing schemes forward itself, in order to facilitate CLH at a local level. One of these schemes, on Leeds City Council land, is currently under consultation and will comprise 34 homes. LCH is playing a critical role in the absence of an established CLH group, helping bring the scheme forward whilst building community involvement and future vehicles for ownership and governance.

The current policy and political environment in Oxfordshire

- 5.13. There is a growing recognition, across Oxfordshire, that CLH can play an important role in addressing local housing needs. At the broadest scale, the Oxfordshire Plan 2050 provides an opportunity to consider the role of CLH in delivering on the gross affordable housing need that will be identified. Early topic papers to guide consultations on housing highlight the focus on affordability and ensuring that housing is appropriately sited.
- 5.14. There are signs of dedicated policies and process to facilitate CLH in certain districts, and these should be welcomed. Oxford City's policy H7 in the emerging Local Plan sets out the intention that, on sites of 50 or over units, a total five per cent will be made available for self-build. A recent draft policy paper (background paper 5) on self-build and CLH seeks to align policy for these two forms of development. This creates the potential for CLH to be an efficient delivery option for these units, and a means to provide ongoing governance forms for shared space and continued community involvement. A similar policy in West Oxfordshire – that states five per cent of units on sites of over 100 units should be made available for self-build – provides a key opportunity to maximise social value (at the very least in the form of affordability), as well as offering a more efficient model of delivery.
- 5.15. District authorities are also using housing policy to support CLH. Cherwell's Housing Strategy (2019-2024) sets out a desire to diversify the provision of affordable housing through innovation and partnership working (e.g. on community-led schemes), and to undertake social value assessments to enable decisions to be

made about whether council land should be disposed of at or below market value (for instance, for the development of housing including affordable housing). Cherwell also aims to work with Build!, registered providers and community-led developers to maximise grant funding that can be used for affordable housing development. Oxford City has invested in research to understand how CLH can contribute to affordable housing delivery, commissioning the Routes to Delivery report in 2019, and seeking to implement some of its recommendations.

- 5.16. Certain district authorities are investing significant resource in neighbourhood planning. The process provides specific opportunities and powers for local communities to develop housing through CLH models. Several neighbourhood plans in the county have stated a desire to do this.
- 5.17. The Mid-Cherwell Neighbourhood Plan Forum, and its member parish councils, are seeking ways of providing genuinely affordable dwellings on rural exception sites through establishment of a community land trust. Headington's Neighbourhood Plan contains an expression of active support for development by the Oxfordshire Community Land Trust. And the Neighbourhood Plan group in Shilton had sought a community right to build order, though this was rejected by the Inspector. Questions remain about how local authorities might better enable these groups to understand and realise the opportunities of CLH in their area.

- 5.18. Despite these signs of policy support, awareness within local authorities and other housing providers about what CLH is, and how it can be supported, is likely to be low. In certain local authorities there are signs that officers and members are engaging with this rapidly developing sector, but this is not universal. The specific roles that local authorities can play in facilitating CLH has been well documented by Co-operative Councils Innovation Network³.
- 5.19. Without these forms of action, opportunities to deliver more affordable homes will be missed, as local policies and a lack of political support prevent groups developing schemes and drawing on significant external funding for these initiatives.

³ Co-operative Councils Innovation Network (2018). Community-Led Housing: A Key Role for Local Authorities

The current system of support for groups in Oxfordshire

5.20. Recent developments in Oxfordshire means that there is a bedrock of knowledge about CLH in the county. Oxfordshire CLT, formed in 2006, has been identifying sites, and developing potential housing schemes for a number of years, whilst also exploring potential funding mechanisms to address the need for more capital funding for CLH schemes.

5.21. Alongside this, the Collaborative Housing hub (the CoHo Hub) now provides enabling support to groups across the Thames Valley. The Hub has dedicated staff, which includes associate advisors with development expertise. They are currently providing enabling support to four projects which are advancing beyond the group formation stage to site acquisition and development. The hub plans to support a total of 30 groups over five years, drawing on existing resources secured through the CHF enabler hub grant, and securing revenue from projects either in the form of consultancy fees, or payments deferred until the completion of schemes

5.22. Whilst these two organisations provide the platform for enabling work across Oxfordshire, more work is needed to solidify and expand their offer.

5.23. Ongoing research in Oxfordshire is showing the value of an enabling hub to local CLH groups, and the types of functions they would want a hub to perform. Interviews with developing groups are highlighting the role that the hub can play:

- Being a trusted, one-stop shop for information, advice, enabling and advocacy

- Connecting CLH groups with capable and supportive professionals
- Building a wider understanding of CLH to create systemic changes to policy and access to funding, land and other resources
- Brokering visits and buddying so that groups can support to each other
- Forming networks and setting up events to share knowledge
- Conducting deep dives into common issues, and providing workshops to help groups work through these

5.24. The presence of Oxfordshire CLT and the CoHo Hub presents several opportunities locally. CHF funding is premised on working with an organisation that is a registered provider with Homes England. Groups may choose to become an RP themselves, or select a suitable RP to partner with. The latter may be preferable to groups, but it is not yet clear whether existing RPs really want to play a significant role in the delivery of CLH homes. There is the potential for Oxfordshire CLT or the Hub to become RPs, and provide this dedicated function for groups, helping them access funding, manage developments and help with ongoing housing management.

5.25. CLH schemes can often progress when an enabling organisation is able to acquire and progress schemes in the absence of an existing CLH group, a model being applied in Leeds. Again, OCLT or the CoHo Hub might play this role in future, acting as a temporary holder of land and property as groups develop to the point where they can take ownership.

Constraints on CLH delivery in Oxfordshire: Policy and enabling support

- 5.26. The picture presented above, of good practice nationally and emerging support systems locally, helps us identify key constraints in Oxfordshire that might be targeted:
- In most authorities there is a limited understanding (among both officers and councillors) of the role that CLH can play in local housing delivery, and how it is best supported.
 - There are signs that local authorities are developing policies to support CLH, but this is not the case for all. Diverse policy environments will mean CLH thrives in some areas and not others. And yet, there are various approaches nationally which can be built on to help groups access sites, access finance and get the resources needed to progress their schemes.
 - Policies and support infrastructure are not being adequately connected. An example of this relates to self-build and CLH, where the opportunities to align policies and define this as one activity are significant.
 - The structures for supporting CLH in Oxfordshire are still developing. The Collaborative Housing hub and associated bodies need to be able to resource deeper levels of support for groups, alongside developing an infrastructure which enables groups to draw in funding, seize on opportunities to acquire sites and so on.
 - At the time of writing the Community-led housing Fund has closed. The Hub has a clear business plan to enable it to be self-sufficient through fee charges to groups payable at the grant of planning permission and completion of the scheme.

However, this is reliant on having enough groups ready within the funding period of two years (ending in early 2021). Introducing the recommendations in this report will help but the short time period is extremely challenging.

Summary

- 5.27. The stakeholder event held with local authorities as part of this research demonstrated an appetite amongst officers for supporting CLH as an important contributor to housing delivery across the County. The report has highlighted some of the challenges and demonstrated where changes to the local authority environment can have a significant impact on the ability of local communities to deliver housing that meets their needs and helps the community to flourish.
- 5.28. This analysis show there are some clear steps that could be taken by the Oxford Growth Deal authorities to tackle the three key areas of finance, land and enabling support required by groups to progress CLH. Some of these, in particular the potential for local funding mechanisms and for the release of land, will need further work which the Co-Ho hub will be keen to support as laid out in the recommendations below.

6. Recommendations

This section brings together the key recommendations from the report across the finance/land and support environment sections.

No	Recommendation	Key Actions	Priority	Resources required
1.	Consider establishing a CLH-focussed grant or 'soft loan' fund to support set up and pre -development costs for community-led housing. Soft loans are where a loan will be repaid if a group is successful but would convert to a grant if a scheme fails. Due to the early stages of most groups in Oxfordshire, this early stage funding is required to fund gaps in the provision of national funding.	Both the Growth deal project team and individual local authorities to investigate setting up a funding framework and potential sources of both capital and revenue funding for CLH. This is critical in the context of current uncertainty about national funding availability for CLH. This framework will need to be focused upon a self-sustaining model given likely public sector finance restrictions.	HIGH.	The project team will progress this action, but it will require specialist finance and legal resources to develop a framework for consideration.
2.	Consider establishing a revolving loan fund which can support land purchase and, if possible, capital development costs. As the demand on this is envisaged to be relatively modest at this stage, this could be a pilot trialled on a case by case basis.	As above.	HIGH.	As above.
3.	Gauge appetite among local registered providers to understand how they can play a key role in assisting with the scale up of CLH.	An initial training session is being planned by CoHo Hub for RPs later in 2020 which will help determine interest amongst local providers. For review following this session.	HIGH.	The CoHo Hub is carrying out this work within its current resources.

No	Recommendation	Key Actions	Priority	Resources required
4.	Consider legal advice and best practice on the disposal of land under market value where other social benefits can be achieved.	Individual authorities to review and progress. Perhaps with central support.	MEDIUM.	This work is likely to require additional legal and finance resourcing. Either within individual councils and/or centrally if a coordination role is envisaged.
5.	The establishment of a process to support the identification and release of land opportunities for CLH.	Local authorities to consider capacity and resources for investigating land opportunities. Potential for joint work with CoHo Hub to develop a process/flowchart for how site opportunities can be appraised and to matchmake sites with community-led housing groups. Any such collaborative process needs to clearly determine the respective roles and responsibilities of each party.	MEDIUM.	For individual authorities to determine.
6.	Provision of signposting support for CLH groups requiring professional external advice.	Local authorities to sign-post groups to the CoHo hub which is developing a database of technical associates to support groups	MEDIUM.	Can be done within existing resources.
7.	Identify ways of reaching landowners/ land agents through existing networks and forums.	Local authorities to consider how best to promote community-led housing to landowners and land agents. Potential for joint working between CoHo Hub and local authorities to build knowledge of landowners and develop a database of landowners.	MEDIUM	For individual authorities to determine. CoHo Hub support can be provided within existing resources.

No	Recommendation	Key Actions	Priority	Resources required
8.	Consider how planning departments can best facilitate planning discussions with community-led housing groups, for example through early-stage advice.	Local authorities to consider training and awareness-raising to support CLH within planning departments.	MEDIUM	External training would require additional resource.
9.	Greater consideration of the role of neighbourhood planning at local authority level to ensure groups are aware and consider community-led housing for their plan area.	As above	MEDIUM	As above
10.	Consider whether/how community-led housing could be appropriately reflected within the Oxfordshire Plan 2050 and/or Local Plans.	Growth Deal Project Team to progress discussions with Oxfordshire Plan 2050 Team.	HIGH	Can be done within existing resources.
11.	Consider how policies to encourage or promote CLH can be developed, for example, through SPDs/ Area Action plans or other strategies.	Local authorities to reflect on best options for progressing this work. With a view to developing a standardised approach to promote a common policy landscape	HIGH	May require additional resourcing.
12.	Consider the appointment of a political champion for each local authority. For example, a named Councillor who would take responsibility for understanding and promoting CLH in their District.	Local authorities to consider and progress internally as necessary.	MEDIUM	Can be done within existing resources.

No	Recommendation	Key Actions	Priority	Resources required
13	Consider setting Oxfordshire ambitions for the number of CLH homes to be delivered.	Growth Deal core team and local authorities to jointly reflect on the possibility for a strategic target for CLH.	MEDIUM	Can be done within existing resources.
14	Consider gap funding directly for the hub if a pipeline of schemes is in progress but central government grant funding is exhausted.	The hubs sustainable business plan is that the pipeline of schemes will generate fees to continue to pay for hub operations. However, in the event of a gap between income coming in and grant being spent the hub may require bridging funds	MEDIUM	Would require LA funding.
15	Consider the possibilities of a strategic approach to securing land through partnership working with Homes England and other landowners	For review by local authorities as part of partnership arrangements with HE.	MEDIUM	Can be done within existing resources
16	Consider the potential for an Oxfordshire Community Led Development Company to acquire and develop sites in partnership with community-led housing groups.	This will be kept under review as the pipeline of schemes develops.	LOW	

List of Contributors

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Dr Tom Archer is a Research Fellow at Sheffield Hallam University and consultant specialising in housing and community development. Between 2010 and 2016 Tom was one of the National CLT Network's Technical Advisors, providing support to urban CLTs in England. Tom's doctoral research focused on the factors affecting housing collectivism in England and Canada, and its costs and benefits. Tom has led major evaluations of community-led housing programmes, alongside other large housing market studies. He has co-authored influential reports on the private housebuilding industry in the UK, and the growth of community owned assets. Tom is a Director of East Midlands Community-led housing, the nascent enabling hub for the East Midlands region.

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Phil Cringle is a successful housing development professional, specialising in affordable and self/custom build housing. He has over twenty-four years of experience, including project management, policy and procedure

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Charlie is a Director of Transition by Design (TbD), a social enterprise and co-operative working mainly in the community-led housing (CLH) and low-carbon architecture sectors. Charlie is trained as an Architect, is currently undertaking a Doctorate at Oxford Brookes University on urban housing delivery models and is a CLH Advisor with full accreditation with the Chartered Institute of Housing. Having undertaken research projects on CLH for Joseph Rowntree Charitable Trust, Power to Change and CAF Venturesome, Charlie's focus is on action-research which builds capabilities within communities.

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Tim is an experienced housing consultant with a specialist interest in developing and launching new models for the financing and delivery of affordable housing for low to middle income households and housing for individuals with additional support needs. He has undertaken a number of projects with local authorities and other voluntary sector partners, most recently working on a project developing a land financing solution for community-led housing. Tim holds an MPhil in Economics from Oxford and a BA in Economics from Cambridge.