

National Housing Taskforce consultation

1 The Confederation of Co-operative Housing

- 1.1 With a membership of 170 co-operative and community-led housing organisations who own or manage some 60,000 homes, the Confederation of Co-operative Housing has represented the largest part of the co-operative and community-led housing sector in England and Wales since 1994.
- 1.2 As an organisation that has always sustained itself without public or charitable funding, the CCH has over 20 years practical experience of developing and supporting ongoing governance and management of community-led housing organisations. Most notably, the CCH has:
- played a leading role to support the Welsh Government's successful co-operative and community-led housing programme which has initiated some 25 new housing schemes with the potential for over 500 cross tenure homes
 - worked with numerous community-led housing organisations in England on building and group development, governance, management and other programmes
 - worked with many local authorities and housing associations on a variety of aspects of community led housing
 - produced a well-received guide "1,001 co-operative and community-led homes: the housing revolution starts here" setting out the broad diversity of possibilities for development of new community-led housing (available at www.cch.coop/1001co-ophomes)
 - produced guidance on setting up co-operative and community-led housing (available at www.cch.coop/newcoophomes)

2 Summary of key points

- 2.1 Existing methods of providing housing have and are failing to meet the needs of the UK population.
- 2.2 This is partly because different parts of the housing sector are siloed into different interests and different providers with no overarching community scrutiny. Establishing a “new sources of supply” silo runs the danger of perpetuating the problem.
- 2.3 Presumption should be made that all new housing development will start out as “community-led”, either by communities influencing housing strategy, commissioning the homes they need and/or through the development of community-led housing.
- 2.4 It will not be possible to significantly scale up community-led housing by relying solely on schemes initiated by grass roots communities. There are opportunities to encourage and support existing community-led housing organisations to develop more homes. There is also a need to enable, encourage, facilitate and support local authorities, housing associations, private developers and others to initiate community-led housing.
- 2.5 The biggest challenge and barrier to developing community-led housing is identifying, encouraging, and facilitating people who will want to devote time and skills to developing schemes.
- 2.6 There is a limit to how much it is desirable or possible for national, regional and local Government to intervene in housing markets to enable community-led housing.
- 2.7 The housing function of Combined Authorities may present opportunities for community involvement in housing strategy and to explore community-led housing options.
- 2.8 Ensuring land availability is dependent on flexible approaches that may not always involve community ownership of land.
- 2.9 Short term capital funding requirements for community-led housing are capable of being met. Long term capital funding requirements will require new funding vehicles, but developing such vehicles is only justifiable if there are clear signs that demand for community-led housing is scaling up.

- 2.10 With imagination and innovation, it is potentially possible to fund most community-led housing schemes, but it requires new approaches and flexibility.
- 2.11 There is also a need for a flexible revenue funding framework where the right amount of revenue funding is made available on a scheme by scheme basis.
- 2.12 There is not a need for Government to establish infrastructure to develop community-led housing. If anything, national and local Government needs to enable the development of partnerships of or with existing bodies and to use its best offices to facilitate, encourage and support those partnerships to consider, promote and develop community-led housing.
- 2.13 There is a particular need for Government to consider how best to encourage housing associations to play a much more significant role in developing community-led housing.
- 2.14 The community-led housing sector needs to work together to address the current huge lack of skills available to develop community-led housing.

3 The National Housing Taskforce

- 3.1 The CCH welcomes the work of the National Housing Taskforce and the opportunity to make a submission to this consultation. It is clear that the traditional methods of providing homes – owner occupation, private and social renting, alongside those organisations that have traditionally provided them - private developers, local authorities and housing associations – have and are largely failing to provide what is needed.
- 3.2 A housing revolution – based on enabling local communities – is needed to challenge the existing ways of doing things and to provide the homes that are needed.
- 3.3 The National Housing Taskforce's division of its activities into its sub-components – eg. Private Sector Development, Housing Associations, Private Rented Sector, New Sources of Supply, Public Sector Building etc – is perhaps understandable to make a challenging task easier, but unfortunately this siloing is a key reason why the traditional forms of housing have so failed the UK. A solution does not exist where each of the existing housing interests

continues to act independently of each other and for their own interests. Fragmenting “new sources of supply” into another silo further marginalises community-led housing as it has been marginalised in the UK since the 1970s. This has not been the case in other developed countries with the result that community-led housing has delivered many more homes.

3.4 A radical approach – and a radical approach is needed if the UK is to ever build the numbers of homes that are needed – would be to enable and ensure that all new and redeveloped housing starts from a presumption that it will be in some way community-led by enabling members of the community to influence local, regional and national housing strategy, by supporting communities to commission the homes they need, and/or by enabling local people shape and control community-led housing schemes.

3.5 Such an approach would:

- start to enlist the public’s support for building the homes needed
- develop a snowball of community-led housing that would lead to community-led housing becoming mainstream and change public consciousness about available housing solutions
- focus broad cross sectoral support and community-led scrutiny challenging the problems that prevent sufficient homes being developed
- enable the desired quality and quantity of homes that need to be developed.

4 Initiation of community-led housing schemes

4.1 The CCH advocates that community-led housing can be initiated by grass roots organisations, by existing community-led housing organisations and by other organisations, such as local authorities, housing associations and private developers – and that all these routes can lead:

- to strong and sustainable community-led housing organisations
- to community-led homes being built that would not have been built unless they were community-led.

4.2 The CCH welcomes that some community-led housing is initiated by grass roots community organisations that organically develop. It is remarkable that community volunteers are prepared to devote the

many years necessary to make such approaches work, often at risk that schemes may not happen at all.

- 4.3 However, the reality is that there will only ever be a small number of such dedicated community individuals who are prepared to devote their lives to developing schemes for many years. Relying solely on such an approach to develop community-led homes means that the potential scale that could be offered by community-led housing will never be realised, and it will result in community-led housing being the preserve of a small demographic.
- 4.4 A contribution could be made by existing co-operatives and other community-led housing organisations. The CCH has already offered to work with the DCLG to explore methods to mobilise the assets available in the co-operative housing sector to build new homes. The CCH also offers to work with the DCLG to explore how Tenant Management Organisations could be enabled to develop homes on land on estates that they manage.
- 4.5 The vast majority of the UK's existing long term and successful community-led housing sector has been initiated by organisations such as local authorities, housing associations, private developers and others. The CCH has particularly supported such initiatives in Wales, resulting in a number of community-led housing developments. The advantages of such approaches are that:
 - they enable growing communities to take advantage of the skills of other organisations to navigate complex planning and development processes, resulting in less expectations and less barriers being placed on community volunteers
 - they enable greater flexibility and less reliance on particular models – meaning that schemes can be better developed to fit in with the needs and aspirations of various community, local authority and other stakeholders.
- 4.6 Such approaches also tend to lead to larger schemes and to more of them than grass roots initiated schemes.
- 4.7 The CCH supports initiation by communities, existing community-led housing organisations and other organisations, but each approach requires a different political and infrastructure framework.

5 Challenges facing community-led housing

- 5.1 The most significant barrier facing the community-led housing sector is *people* – identifying, convincing, encouraging and facilitating people to want to participate in community-led housing. The UK zeitgeist has for so long been that housing needs are met by either the state or the private sector and that people passively receive the housing solution they can afford. It is rare that people conceive that there are housing solutions that they could actively generate for themselves and take control of.
- 5.2 Even where individuals do come forward to initiate community-led housing schemes, it is rare that they do so in the right place at the right time for them to combine the different elements that are needed to bring a new scheme to fruition. It is welcome that the UK Government has taken steps to require local authorities to record individuals interested in self and custom build and provide serviced plots, but it is unlikely that any Government would ever be prepared to so fundamentally intervene in the housing market to do what is necessary to make it easy for significant numbers of community groups to develop community-led housing.
- 5.3 Community-led solutions are not just unknown to the general public. There are huge misconceptions about them in the local authorities, housing associations, private developers and other agencies that could support the sector. The misconceptions were demonstrated in the Parliamentary discussions with local authority representatives during the passage of the Housing and Planning Bill. However, the Welsh experience has been that local authorities and housing associations encouraged and facilitated to work on community-led housing schemes start to understand how they work and become their enthusiastic proponents.
- 5.4 Whilst the CCH supports the need to disseminate and encourage people and communities to set up community-led housing schemes in order to build homes that otherwise would not be built, we also consider that there is much more that Government and others could be doing to encourage existing community-led housing organisations, local authorities and housing associations to initiate community-led housing schemes.
- 5.5 The “1,001 co-operative and community-led homes” publication shows that it is possible to develop a wide range of community-led housing schemes within the housing environment and market as it

stands now. Major Government interventions into the housing market are not necessary and are unlikely to be widely supported. The challenge is how to encourage more communities, existing community-led housing organisations, local authorities, housing associations, private developers and others to make it happen.

6 Barriers and opportunities in releasing and obtaining land

- 6.1 All housing developers compete for land availability to build housing schemes. It is welcome that steps have been taken in neighbourhood planning guidance to enable local communities to have greater say on what housing is built in their neighbourhoods, but again there is a limit to how much it would be acceptable for national, regional and local Government to intervene in housing markets to enable community-led housing.
- 6.2 A strategic housing role has been attached to Combined Authorities to ensure that sufficient homes become available to support growing regional economies. This may offer opportunities for land assembly and/or reclamation alongside identification of the needs of housing markets. The fresh thinking needed to make Combined Authorities successful may also offer the potential to make the case for community-led housing schemes. Potential future devolution of housing strategy and investment to Combined Authorities could be linked to community involvement in the development of strategies and reviews of the role that community-led housing schemes could play.
- 6.3 Maximising how community-led housing could lead to greater numbers of new homes will also be dependent on flexible approaches that enable and support the needs and aspirations of various stakeholders and that adapt and develop formal models to make them fit for purpose in each different area.
- 6.4 For example, the large scale redevelopment of the Somerleyton Road area of Lambeth has been reliant on a partnership approach between the local authority and the local community. The redevelopment would not have been possible, and the land would not have been made available for new homes if it had been an absolute requirement that the land had to be owned by the local community organisation. Large scale development of housing schemes usually means that community-led approaches have to be adapted to enable viable schemes.

7 Finance and funding schemes that help or hinder

- 7.1 In 2012, the CCH published “Financing Co-operative and Mutual Housing” (available at www.cch.coop/newcoophomes) following discussions with all the key finance institutions lending to organisations developing housing. The publication summarises what needs to happen in the short, medium and long term regarding capital funding for community-led housing.
- 7.2 In the short term, community-led housing capital funding can be met either through specialist investment organisations such as Triodos Bank who lend to community-led housing, or through the investment arrangements used by housing associations. In the longer term, if the demand for community-led housing can be made to snowball, there will be a need to develop a special community-led housing investment vehicle, but until there is clarity that there is a significant scaling up of demand for community-led housing, it is not going to be possible to invest the large amount of resource necessary to develop such a vehicle.
- 7.3 Developing any housing scheme now requires imagination, innovation and flexibility to enable viability and affordability. Capital funding may come from a variety of sources to enable affordability, such as subsidised land or buildings, cross subsidy with market products, low cost finance through revolving loan funding or through access to housing association loan arrangements, grant funding from a variety of sources.
- 7.4 The days of rigid grant funding arrangements and set grant rates are behind us. It is arguable that they may not have been particularly good value for money, and they probably encouraged the siloing of housing approaches discussed above. In the housing co-op sector, it has led to widespread perceptions that co-operative approaches can only be available to those on low incomes. This not an approach taken in other parts of the world. For example, in several European countries, co-operative housing is seen as an integral housing option available to people on a range of income levels. Consequently, European co-operative housing sectors are much larger.
- 7.5 It would be counter-productive to reintroduce rigid grant funding systems for community-led housing and it would further contribute to marginalisation of the sector.

- 7.6 As new housing products enter the market, it will be an ongoing challenge to ensure that mortgage and other consumer products are available in relation to housing for sale. For example, some challenges were encountered in relation to shared ownership mortgages for the new shared ownership co-op set up in Newport, where solicitors advising co-op members were initially reluctant to support the co-operative nature of the scheme. However, this problem was resolved through dialogue.
- 7.7 The collective approach to obtaining a mortgage used by Lilac in Leeds bypasses the need for individual mortgages (as well as making a form of home ownership more affordable to those on low incomes), and the National Housing Taskforce should certainly investigate how this form of co-operative home ownership could be made available to more people.
- 7.8 There is clearly a need for revenue funding to support the development of new community-led housing schemes in the early stages. The CCH advocates the flexible funding arrangements set up by the Welsh Government through the Wales Co-operative Centre, which has enabled the right amount of revenue funding to be made available on a scheme by scheme basis.
- 7.9 Our experience has been that providing set amounts of revenue funding, especially where no coherent plans are available to develop viable schemes, can be counter-productive, lead to unrealistic expectations, and potentially delay schemes. Revenue funding that is attached by Government, charitable bodies and other organisations to rigid requirements to be incorporated, set up using a particular legal structure, or directed at particular groups of people is also not helpful.

8 Enabling infrastructure & partnerships that Government can support

- 8.1 There is not a need for Government to establish infrastructure to develop community-led housing. What is needed is for national and local Government to enable the development of partnerships of or with existing bodies and to use its best offices to facilitate, encourage and support those partnerships to consider, promote and develop community-led housing.
- 8.2 There is a particular need for Government to consider how best to encourage housing associations to play a much more significant role in developing community-led housing. Some housing

associations have risen well to the challenge, and more work could be done to disseminate their examples. But too many associations remain impervious to innovation and the business benefits of supporting community-led housing. There are many areas where associations could benefit from the stability and commitment that is inherent to community-led housing, such as in market rented housing, shared housing for younger people, forms of co-operative home ownership including shared ownership and collective approaches to mortgages.

- 8.3 The piecemeal approach to community-led housing over the years has resulted in a huge lack of skills available to develop community-led housing. The numbers of individuals across the UK who have the broad set of skills needed to provide advice and support to developing community-led housing projects can probably be counted on two hands at best. In some respects, this challenge will be met by the market – ie. if new community-led housing projects start to be developed, people will develop the skills they need to develop them. But our experience over many years has been that the CCH has repeatedly come across poor quality advice to community-led housing schemes and there is a danger that this could multiply.
- 8.4 The CCH has already offered to participate in sector wide discussions about how to resolve this problem. There is certainly a need for an effective quality assurance framework, and we are already recruiting associates to enable us to train and develop the skills of people to be able to support community-led housing development.
- 8.5 Given that we are advocating that more community-led housing could be developed through housing associations, there is a particular need to develop skills relating to how to work with housing associations. Our experiences, particularly in Wales, have been that housing associations have demonstrated themselves to be willing partners to developing community-led housing.
- 8.6 Encouraging existing community-led housing organisations to consider building new homes will require a very particular skill set that largely currently only exists in the relevant sectors. We are willing to work with others to develop this.

9 Recommendations for Government

We recommend that Government works with the community-led housing sector including the CCH:

- 9.1 to encourage, support and facilitate the housing association sector to initiate community-led housing
- 9.2 to work with the CCH to explore potential contributions to new home building that could be supported through existing community-led housing organisations
- 9.3 to encourage the development of community-led housing through the Combined Authorities and to ensure that devolution of housing investment and other powers to Combined Authorities is matched by devolution to local community decision-making about homes in their areas
- 9.4 to make the enabling of new homes through community-led housing a Government priority – making a national Government marketing programme for community-led housing equivalent to programmes advertising the Right to Buy and other Government initiatives.

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