

For General Release

REPORT TO:	CABINET 21 January 2019
SUBJECT:	Strategic Approach to Community Led Housing Provision
LEAD OFFICER:	Shifa Mustafa – Executive Director
CABINET MEMBER:	Councillor Alison Butler – Deputy Leader and Cabinet Member for Homes & Gateway Services
WARDS:	All
<p>CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON:</p> <p>This report details the strategic approach to the support of Community Led Housing by Croydon Council.</p> <p>The aim is to pilot a selection of sites which will demonstrate how Croydon Council can engage with community-led housing initiatives that generate affordable housing and meet housing need. It therefore supports the following corporate priorities:</p> <ul style="list-style-type: none"> • ‘To provide good, decent homes affordable to all. It also strongly supports the priority of resident involvement and devolution, which is a theme in the operating model • ‘Residents drive what we do’ 	
<p>FINANCIAL IMPACT:</p> <p>The financial impact for the Council is minimal. £32k of revenue funding for this strategic approach has been secured from the Community Housing Fund and £15k capital funding is available from the regeneration feasibility budget.</p> <p>Brick by Brick will complete the basic due diligence on pilot sites as part of their Corporate Social Responsibility strategy.</p>	
<p>KEY DECISION REFERENCE NO.: Not a key decision</p>	
<p>1. RECOMMENDATIONS</p> <p>The Cabinet is recommended to :-</p> <p>1.1 Approve the pledge to support community led housing as set out in the report under 2.5.</p> <p>1.2 Approve the strategic approach to delivery of community led affordable housing commencing with a set of pilot sites as set out in this report.</p>	

2. EXECUTIVE SUMMARY

- 2.1 The Council is developing a strategic approach to creating opportunities for community led housing, which is outlined in the pledge set out below.
- 2.2 A pilot process will commence with the selection of up to five sites for development of affordable community-led housing supported by Brick by Brick during 2019-20.
- 2.3 The GLA has resources to assist Croydon to manage this process. Standard document templates may be able to be used for group selection and contracts, and the GLA Small Sites x Small Builders' portal can be used to select groups.
- 2.4 Locally, Croydon Council is continuing to work with London Community Land Trust and Croydon Citizens to support their interest in a community land trust (CLT) scheme for affordable housing.
- 2.5 Croydon Council pledge to commit to:
 - 2.5.1 consider the inclusion of Community Led Housing (CLH) policy in the course of the development of any future Council strategy or planning policy document as appropriate.
 - 2.5.2 develop a process for supporting CLH across the Borough, commencing with a pilot of up to five sites in 2019 for the development of intermediate affordable homes in partnership with Brick by Brick.
 - 2.5.3 work with those interested in CLH to provide advice and support on feasible proposals for CLH schemes that would generate genuinely affordable housing that meets priority housing needs, and signpost them to other appropriate support and guidance as appropriate.
 - 2.5.4 continue to support Croydon organisations to develop proposals for a council site (or sites) on which to develop a CLH scheme, subject to consultation with local residents, the positive outcome of a feasibility study and due planning process.

3. DETAIL

3.1 Background

Croydon Council set up the Housing Commission on Community-Led Housing in September 2016 on behalf of the Co-operative Councils' Innovation Network (CCIN) to encourage local authorities to foster co-operative and community-led solutions to the housing crisis. It produced a report, 'Community-Led Housing: a Key Role for Local Authorities', was published in January 2018, and was brought to cabinet. A draft pledge was included in that cabinet report.

3.2 What is Community-Led Housing (CLH)?

Community-led housing is a generic term to encompass several types of resident-led housing. The definition, agreed between the three major national bodies in the sector

(National CLT Network, UK Co-housing Trust and the Confederation of Co-operative Homes) and adopted by MHCLG and the GLA, is based on 3 core principles:

3.2.1 A requirement that meaningful community engagement and consent occurs throughout the process. The community does not have to initiate and manage the development process, or build the homes themselves, though some do.

3.2.2 The local community owns, manages or stewards the homes and does so in a manner of their choosing.

3.2.3 A requirement that the benefits of the scheme to the local area and/or specified community group are clearly defined and legally protected in perpetuity e.g. through an asset lock.

See Appendix 1 for more detail regarding the range of types of community-led housing. The Council is intentionally taking a broad view of the definition of community-led housing, in order to enable a full range of community groups to engage in the development and management of new homes. It should be noted that the definition of community in this context is not limited by geography, but can encompass communities of interest or practice.

3.3 How can Community Led Housing benefit Croydon?

CLH schemes would be for local people priced out of the housing market and in housing need.

3.3.1 CLH can add to the range of housing delivery options, making a contribution to a broader spectrum of more affordable housing options for residents, beyond the statutory social and intermediate housing offer.

3.3.2 CLH will involve residents in addressing housing need, providing a way for local people to achieve their aspirations for an area and bring forward tricky sites that are otherwise not suitable for development via the open market.

3.3.3 CLH can be a helpful tool for engaging with and empowering local communities, particularly in areas resistant to new development. It can help sustain local economies through skills development and job creation.

See Appendix 2 for details of what other boroughs are doing to engage with the sector and progress proposals for CLH developments.

Policy Context

3.4 Local policy

3.4.1 Facilitating CLH as part of a broader affordable housing mix, supports the key priority of the provision of 'good, decent homes, affordable to all' in the Corporate Plan 2018-22. Supporting groups of residents to commission and/or build their own affordable homes through CLH diversifies the supply of new homes, and ensures those homes built are appropriate for the local community.

3.4.2 Supporting CLH is a means to deliver the priority of 'building new homes' set out in the 'We are Croydon' Vision in the Croydon Community Strategy

2016-21, whilst achieving the parallel priorities of ‘building cohesive and strong communities, connecting our residents, local groups and community organisations’ and directly ‘strengthening and mobilising our community...sector’

3.4.3 Croydon Local Plan 2018

- 3.4.3.1 Supporting CLH will facilitate the delivery of intermediate affordable homes in line with Local Plan Policy SP2: Homes, producing ‘different types of homes in the borough and contributing to the creation... of sustainable communities’.
- 3.4.3.2 CLH achieves Strategic Objective 7: ‘...creating spaces and buildings that foster safe, healthy and cohesive communities’.
- 3.4.3.3 Resident involvement in the design of CLH will also ‘promote well designed...community...facilities to meet the aspirations and needs of a diverse community’ as set out in Strategic Objective 6.

3.4.4 Localities working strategy

One of the key aims of the localities working strategy is ‘greater collaboration with partners and the voluntary community sector at the local level’. CLH builds trust, and fosters strong ties between the council and local community organisations. It is a means to bring the council and the community in an area closer together, building on what’s already there. The strong social bonds forged by developing housing together results in a strong network of community support, which bolsters ‘preventative activity’, through reduced loneliness and reduced impact on social and health services.

3.5 Regional policy

To facilitate the growth of the community-led housing sector in London, the Mayor of London’s Housing Strategy (May 2018) includes the following proposals: ‘Working with councils and others, the Mayor will support Londoners to be involved in planning and delivering new homes. This will include:

3.5.1 setting a target to identify a pipeline of community-led housing schemes by 2021, with capacity to deliver at least 1,000 homes;

3.5.2 supporting the expansion of community-led housing schemes through a new CLH hub for London; and

3.5.3 investing in community-led housing schemes and lobbying Government for a share of the national Community Housing Fund.’

3.6 National policy

3.6.1 The Self-build and Custom Housebuilding Act 2015 put a requirement on Local Authorities (Borough Councils in London) to maintain a register of ‘persons seeking to acquire land to build a home’.

3.6.2 The Housing and Planning Act 2016 requires Local Authorities to give 'suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period'

3.6.3 The Self- and custom-build housing definition encompasses CLH types; but also includes homes that are not affordable, nor for community benefit, for instance individuals building private homes.

3.7 Funding Context

3.7.1 MHCLG have allocated a Community Housing Fund over 4 years to support community-led housing.

3.7.2 The GLA has received £38m through the Community Housing Fund for London schemes. The programme will run to 2023 and the fund is split into capital (£30m) and revenue (£8m). Community groups are eligible to apply for this funding directly from the GLA, or through the London Community Led Housing Hub.

3.7.3 Croydon received ca. £44k in 2016/17 from a previous round of the fund: we contributed 25% of our grant (£10,820) via the GLA to the London Community-Led Housing Hub, and have claimed £1,000 for staff time. Ca. £32k of this funding remains.

Proposed Strategy for CLH in Croydon

3.8 Considering the context outlined above, a broad approach to encouraging community-led housing development in the borough is being tested, commencing with a pilot of up to 5 sites in 2019.

We are reviewing the following key work streams to encourage and progress the development of community-led housing in the borough:

1. Consultation and capacity building

- working with the community to identify local organisations or community groups that would be interested in housing development
- continue to work with Croydon community organisations to help them build their capacity to progress with development projects locally, potentially assisting in linking them with an independent professional adviser

2. Test potential for a developer-enabled community land trust model in partnership with Brick by Brick, where CLH homes constitute part of their intermediate affordable housing offer (as at Redbridge – see Appendix 2)

3. Review potential for other models of CLH including

- housing for social-rent in partnership with Croydon Affordable Homes/ local Housing Associations as an enabling/initiating organisation on small sites (<10 homes)
- conversion of suitable council-owned buildings for CLH development, building on research already conducted by Brick x Brick, and in

collaboration with Facilities and Asset Management colleagues (e.g. park lodge sites).

Pilot Process

3.9 The chosen pilot approach to CLH sites is to test a developer-led partnership approach for intermediate affordable housing with Brick by Brick. Brick by Brick are committed to supporting of this type of initiative as part of their Corporate Social Responsibility strategy.

3.9.1 Brick by Brick will support the development process, providing up to five suitable sites from their pipeline, design and development expertise, and will complete basic due diligence on sites to de-risk the process for groups.

3.9.2 Community groups will bid for council-owned sites specifically restricted for CLH through the GLA's Small Sites Small Builders portal in spring 2019, by submitting their track record, the background of the team as well as their financial offer and intentions for the site. Bids will be shortlisted on their offer, followed by a qualitative assessment of the shortlist, to ensure sites are allocated to groups who intend to build high quality, deliverable schemes.

3.9.3 All proposals will incorporate a baseline principle that in relation to council land, any ownership transfer should realise best value within the parameters set, including planning policy, designation for CLH, and designation for intermediate affordable housing. As such, the CLH group will be expected to pay at least the calculated discounted market value for the land.

3.9.4 Standard GLA contracts will be used where possible to reduce administrative resource requirement on officers. Covenants in the lease will ensure genuine affordability of homes, locked in for future generations.

3.9.5 Selected CLH groups will be supported by Brick by Brick and their architecture practice Common Ground Architecture to work up their design to planning stage. Groups will take ownership of sites after planning, and can also choose to be supported through the construction process by Brick by Brick. Groups will have ownership and management of the homes when they are completed.

3.9.6 Development will be tied to the Brick by Brick programme, and should any community group fall away during the development process, or not meet target milestones for key decisions, Brick by Brick would be able to step-in and continue to develop these sites as part of their intermediate affordable housing provision, and their programme would not be delayed. Croydon could also take back the site if it were not built out by a cut-off date in the lease. This will minimise risk to the Council.

3.9.7 Existing groups such as Croydon CLT and Norbury CLT will be encouraged to bid for sites and they will be offered support to build their capacity to progress with developments.

4. CONSULTATION

- 4.1 Local community groups who have expressed an interest in community led housing provision have been consulted in a series of engagements.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 The financial requirement from Croydon Council to support this programme of Community Led Housing is minimal.
- 5.2 A total of £32k of funding over the two financial years 2018/19 and 2019/20 from the Community Housing Fund will be used to support staff resources. With a further £15k available from the regeneration feasibility budget allocated for Community Led Housing for 2018/19. Further capital funding could be made available in future years if necessary.
- 5.3 Brick by Brick will complete the basic due diligence on sites to de-risk the process for groups, as part of their Corporate Social Responsibility strategy.
- 5.4 The detailed agreement of the process for the selection of pilot sites is still to be finalised with Brick by Brick, and reviewed for compliance by the legal and procurement teams.

1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Revenue Budget available				
Expenditure	16	16		
Income				
Effect of decision from report				
Expenditure	16	16		
Income				
Remaining budget	<u>0</u>	<u>0</u>		
Capital Budget available				
Expenditure	15			
Effect of decision from report				
Expenditure	15			
Remaining budget	<u>0</u>			

2 The effect of the decision

The funding is already secured from the Community Housing Fund, and the regeneration feasibility budget, and it is expected that this will be fully spent by

2019/20. Supporting Community Led Housing in Croydon is a way for homes to be delivered in places where people want to live, work and socialise, whilst empowering residents and building resilient communities.

These additional homes will increase much needed housing supply within the borough and enable our residents to live in affordable housing.

3 Risks

The detailed process for the selection of pilot sites is still to be finalised and reviewed for compliance by the legal and procurement teams.

There would be a reputational risk to the council should this approach be agreed, and no CLH be delivered. This risk is considered to be minimal as Brick by Brick are committed to supporting this approach and will step in and continue to develop these sites should the CLH approach fail.

4 Options

Not applicable

5 Future savings/efficiencies

No savings anticipated from this scheme.

Approved by: Lisa Taylor, Director of Finance, Investment and Risk (Deputy S151 Officer)

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 6.1 The Solicitor to the Council comments that beyond the statutory and national policy context set out in paragraph 3.6 above at this stage there are no specific legal considerations to note at this stage. Any specific land disposals required as a consequence of the proposals set out in this report will need to be the subject of a separate authorisation process and advice can be given on that at the time. Legal officers will also be available to give advice as necessary through the implementation of the proposals.

Approved by: Sean Murphy, Head of Commercial and Property Law and Deputy Monitoring Officer on behalf of the Director of Law and Monitoring Officer

7. HUMAN RESOURCES IMPACT

- 7.1 There are no direct impacts for LBC workforce with the exception of officer time to manage this process which has been factored in.

Approved by: Sue Moorman, Director of Human Resources

8. EQUALITIES IMPACT

- 8.1 We will ensure equality considerations are integral to the design of the processes involved in the Community Led Housing strategy, and overall, we expect the support of community led housing to have a positive impact on groups that share protected characteristics. An equality analysis will be

completed once sites are chosen, and selection processes are being designed.

Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

- 9.1 We will ensure that new homes meet good sustainability targets, and encourage energy efficient design.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 We will ensure new homes are designed to meet Secure By Design designing out crime guidance.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 This strategic approach and pilot process will demonstrate how Croydon Council can engage with community-led housing initiatives that generate affordable housing and meet housing need, and supports the corporate priorities of providing good, decent homes affordable to all, and resident involvement and devolution.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 Not Applicable

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APPENDICES TO THIS REPORT: Appendix 1: Types of Community Led Housing (CLH)
Appendix 2: What are other London Boroughs and the GLA doing?

BACKGROUND PAPERS: None