

For General Release

REPORT TO:	CABINET 26 FEBRUARY 2018
SUBJECT:	Housing Commission on Community-Led Housing
LEAD OFFICER:	Julian Ellerby, Director of Strategy and Partnerships
CABINET MEMBER:	Councillor Tony Newman – Leader of the Council
WARDS:	ALL
CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON: This report details the outcome of the national Housing Commission on Community-Led Housing that Croydon Council led on behalf of the Co-operative Councils' Innovation Network. The aim is to spread good practice to encourage and enable local authorities to engage with community-led housing initiatives that generate affordable housing and meet housing need. It therefore supports the following corporate priorities: <ul style="list-style-type: none">• To provide a decent, safe, and affordable home for every local resident who needs one• To create a place that communities are proud of and want to look after as their neighbourhood• To be open and transparent and put communities at the heart of decision making.	
FINANCIAL IMPACT There is no financial impact arising directly from this report	
KEY DECISION REFERENCE NO.: This is not a key decision	

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

The Cabinet is recommended to:

- 1.1 Note the outcomes of the Housing Commission on Community-Led Housing, led by Croydon Council
- 1.2 Note progress in developing the proposal for a community land trust in Croydon
- 1.3 Note the announcement of a bidding process for the second year of the Government's Community Housing Fund

2. EXECUTIVE SUMMARY

- 2.1 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 in England, Scotland and Wales to foster co-operative and community-led solutions to the housing crisis.
- 2.2 CCIN is a collaboration between local authorities that seek better ways of working for, and with local people in equal partnership for the benefit of their local community. Croydon Council is a member authority.
- 2.3 The Housing Commission has produced a report, 'Community-Led Housing: a Key Role for Local Authorities', and detailed case studies that highlight good practice by local authorities across the country in enabling and supporting community-led housing (CLH). It has also developed a pledge on CLH for local authorities. These documents were formally launched in Westminster on 24 January 2018 and published on the Housing Commission website www.ccinhousing.co.uk. The Commission has also fed its findings into the development of a CLH technical toolkit for local government.
- 2.4 The Leader of Croydon Council and Chair of the Commission addressed the first National Community-Led Housing Conference in London on 27 November 2017 to highlight the work of the Commission and ways in which local authorities can support CLH. A workshop presented the findings and products of the Commission and heralded the publication of the report.
- 2.5 In November 2017 the Minister for Housing and Planning announced that bids for the second year of the government's Community Housing Fund would be invited in January 2018. The fund supports the development of CLH. In this context, the Commission's report has generated a lot of interest.
- 2.6 Locally, Croydon Council is working with London Community Land Trust CLT and Croydon Citizens to develop a proposed community land trust (CLT) scheme for affordable housing on a council-owned site on Shrublands Estate. The recently established Norbury Community Land Trust has a wide remit including housing, workspaces, retail and open space. The Council is working with the CLT to support them on initial projects including exploring bringing empty homes back into use for affordable housing and bringing an empty shop back into use for community purposes.

3. DETAIL

- 3.1 Croydon Council set up the Housing Commission on Community-Led Housing in September 2016 on behalf of the Co-operative Councils' Innovation Network (CCIN). The Commissioners included representatives of local authorities (Cardiff Council, Croydon Council, Oldham Metropolitan Borough Council and Rochdale Borough Council), campaigning and support organisations, policy experts and leaders of community-led organisations.

- 3.2 Communities can bring local knowledge, commitment and resources to housing projects. Bearing in mind the reduction in funding for affordable housing in recent years and the Government's focus on home ownership, the Commission adopted a practical focus to encourage and enable local authorities to engage with CLH initiatives that generate affordable housing and meet housing need.
- 3.3 The initiative was timely, as in December 2016 the government announced the first allocations from its Community Housing Fund to English local authorities particularly affected by local affordability issues or high rates of second home ownership. The Fund will provide £60m a year over four years to enable local community groups to deliver affordable housing in such areas. A prospectus will set out criteria to bid for the second year of £60m revenue and capital funding. From January 2018 community groups, registered providers and any other appropriate organisation including local authorities, will be invited to apply for funding. Bids will be assessed by Homes England (formerly the HCA).
- 3.4 The Commission held two evidence gathering sessions, in Rochdale and Croydon, and a call for evidence was circulated widely to authorities across England, Scotland and Wales. The report is based on 47 submissions by local authorities.

Key Findings of the Housing Commission

- 3.5 The Housing Commission found that:
1. Good work is being done on the ground by councils: the Commission has gathered examples and provided practical information to enable councils to support CLH.
 2. Authorities in both high and low housing demand areas, and urban and rural areas are supporting/enabling CLH, as it helps them achieve their strategic priorities in four areas:
 - a. improving housing supply and providing permanently affordable housing; CLH wins support for residential development as it is for local people and permanently affordable
 - b. regenerating neighbourhoods and returning empty homes to use;
 - c. empowering communities to become more sustainable, viable and self-reliant
 - d. involving residents in addressing housing need.
 3. CLH can bring resources into the area through:
 - their own loan finance, fundraising and labour
 - a social return through their use of local labour and local supply chains
 - increasing confidence in the local area and attracting further investment, and enabling employers to recruit and retain their workforce, in effect acting as an agent for economic growth.
 4. Some areas have ambitions to scale up CLH: Bristol Council is aiming for 300-500 homes in 5 years; Leeds Community Homes aspires to create 1000 homes in 10 years.
 5. The provision of clear guidance on social value for local authorities considering asset disposal at below market value would encourage more

authorities to support CLH and scale it up.

6. The Community Housing Fund has enabled some English authorities to support CLH for the first time. The Government is urged to extend this support to build on achievements so far. The lack of resources and government grant has prevented some other councils from continuing to support CLH at scale.

Approaches adopted by local authorities to support CLH

3.6 Despite financial pressures and rising demand for services, local authorities are supporting CLH in various ways, according to their local circumstances and resources. The approaches adopted include:

1. Leadership – a political and officer champion to ensure a corporate approach to CLH
2. Policy environment supportive of CLH – including enabling policies and the alignment of housing, planning and corporate asset management policy to create opportunities for CLH schemes
3. Land made available through planning policy, including reviewing sites suitable for CLH
4. Council sites and properties provided through sale, leasing or transfer. These could be small sites which are less appealing to mainstream developers. Even if sold at market value, a deferred payment or an exclusive option to buy a site could be helpful to a CLH group
5. Funding – using retained Right to Buy (RTB) receipts, commuted s.106 sums, New Homes Bonus, Second Homes Council Tax, and Community Housing Fund allocations to provide grants and revolving loans – has enabled CLH groups to form, unlocked sites for development and funded the purchase of empty homes.
6. Enabling support of CLH is provided by authorities in-house or through a partner organisation. Partnership is crucial - exchanging information on sites and empty properties, assisting groups with funding bids and giving guidance on the planning process. East Cambridgeshire District Council's development company provides CLH groups with a development partner with the skill and motivation to support joint community developments.

Products of the Housing Commission

3.7 The Housing Commission has produced a report, case studies and a local authority pledge on CLH. These were formally launched in Westminster on 24 January 2018 and published on the Housing Commission website www.ccinhousing.co.uk.

3.7.1 The report, 'Community-Led Housing: a Key Role for Local Authorities', gives practical examples of local authority support for CLH and sources of further guidance. It has been welcomed by the Ministry of Housing, Communities and Local Government (formerly the Department for Communities and Local Government) and national co-operative and CLH support organisations.

3.7.2 12 case studies each set out a local authority's approach to CLH, how and why it is supporting CLH, delivery partners, beneficiaries and examples of schemes in the local area. They may be seen at <http://www.ccinhousing.co.uk/case-studies/>

Leeds City Council case study summary

3.7.3 As a local authority that actively supports CLH, Leeds City Council (LCC) is the subject of a case study in the report. CLH is important to LCC because:

- It offers a dynamic and innovative route to housing growth, contributing towards the delivery of the city's housing target;
- It forms an integral part of a balanced strategy to provide a range of housing options, complementary to that provided by the volume housebuilders;
- Collaboration with the sector is seen as an exciting opportunity, providing a number of benefits for the city as well as increasing community confidence and cohesion;
- There is a growing community led housing sector in Leeds and the Council is committed to support build the sector further.

3.7.4 The City Council supports CLH through:

- **Leadership:** LCC has a political champion of CLH and there is strong support for CLH at Chief Executive and director level; an officer champion is based in the Housing Growth Team.
- **Officer time:** to enable CLH groups to access external funding, identify sites for projects especially from public land disposals, and develop projects that comply with planning policy.
- **Funding:** Using RTB receipts to fund 30% of the capital costs of new build, off the shelf and purchase and repair projects by members of Leeds Affordable Housing Framework including CLH organisations. £1.68m of grants from RTB receipts and loans of £3.03m at preferential interest rates are proposed for Leeds Action to Create Homes and homelessness charity St George's Crypt to support the acquisition and development of 45 new affordable supported housing units for vulnerable individuals and families who are homeless or in housing need.
- **Disposal of land:** LCC has leased empty properties to CLH organisations for 99 years at a peppercorn rent, enabling them to raise finance to buy long term empty homes. LCC can allow an exclusivity period on the sale of a council site to help a CLH project raise development funding.
- **S106 Affordable Housing Units:** LCC worked with Leeds Community Homes (LCH) to put arrangements in place regarding the acquisition of the s106 affordable housing units at the Climate Innovation District development. LCH raised £360,000 through a community share offer to fund the purchase of 16 permanently affordable homes. LCH is a community benefit organisation, formed by CLH partner organisations in order to work at scale, and aspires to deliver 1000 new affordable homes in 10 years.

3.7.5 The pledge on CLH for local authorities provides a template and guidance (available at <http://www.ccinhousing.co.uk/make-pledge/>) to encourage them to develop their own pledge, that suits their local circumstances, to:

- Write and implement a CLH policy, for example by incorporating CLH in the authority's housing strategy, Local Plan or a Supplementary Planning Document as part of affordable housing delivery
- Define the resource for CLH, for example officer time, land or funding

- Commit to work with CLH groups/partners to facilitate delivery of a CLH site.
- 3.7.6 Any pledge developed by Croydon Council is likely to include a commitment to:
- consider the inclusion of CLH policy in the course of the development of in any future Council strategy or planning policy document as appropriate
 - consider the provision of suitable locations for CLH
 - 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.
 - continue working with partners Croydon Citizens and London CLT to deliver a proposed CLT scheme of around 20 dwellings on a council site, subject to consultation with local residents, the positive outcome of a feasibility study and planning. The CLT will be responsible for building permanently affordable housing to be available for local residents.
- 3.7.7 In addition, the Commission has collaborated with Housing Associations' Charitable Trust's (HACT) project to develop a CLH Technical Toolkit for local government by contributing its findings and case studies. This resource will cover community engagement, planning, funding and legal issues and will provide templates and process maps for local government officers. It will be available in March 2018.

Croydon Community Land Trust (CLT) Project

- 3.8 In Croydon many residents cannot afford to rent or buy and demand for affordable housing is rising. In addition to delivering housing directly through its own development company (Brick by Brick), the Council considers that a community land trust (CLT) has an important role to play in generating permanently affordable homes for local people.
- 3.8.1 Croydon Council has committed to working with Croydon Citizens and London Community Land Trust to explore opportunities for affordable housing delivery through a CLT. London CLT and Croydon Citizens are engaging with residents on the Shrublands Estate about the type of housing they would like to see and the sites where they would like housing to be located. This has involved a meeting with representatives of the residents association and informal engagement with residents by Croydon Citizens during a walk around the estate to visit potential sites. Further engagement with residents will take place in 2018. Once a site has been identified, Croydon Citizens and London Community Land Trust will undertake a feasibility study for a CLT scheme that is likely to be for around 20 homes.
- 3.8.2 If a scheme is viable, it will then be progressed through the design, development and planning stages. This will include a formal land agreement between the Council and the CLT which is likely to involve the long term lease of land. As part of any scheme that comes forward the CLT would be responsible for building permanently affordable housing to meet local needs both now and in the future.

4. CONSULTATION

- 4.1 London CLT and Croydon Citizens are engaging with residents on the Shrublands Estate on the proposed CLT scheme. This includes the type of housing they would like to see and the sites on the estate where they would like housing to be located. No consultation is required on other aspects of this report.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 There are no direct financial considerations that arise directly from this report .

(Approved by: Lisa Taylor, Director of Finance, Investment and Risk and deputy s151 officer)

6. COMMENTS OF THE BOROUGH SOLICITOR AND MONITORING OFFICER

- 6.1 The Solicitor to the Council comments that there are no direct legal implications arising from the recommendations within this report.

(Approved by: Sandra Herbert, Head of Litigation and Corporate Law, for and on behalf of Jacqueline Harris-Baker, Council Solicitor and Monitoring Officer)

7. HUMAN RESOURCES IMPACT

- 7.1 There are no immediate HR considerations that arise from the outcome of this report.

(Approved by: Sue Moorman, Director of Human Resources)

8. EQUALITIES IMPACT

- 8.1 Community-led development is a way of ensuring the involvement of the local community in generating homes that are affordable and meet local need. The report of the Housing Commission will encourage and enable local authorities to support this type of housing development. Affordable housing is intended to benefit people on lower incomes that face economic and social exclusion and more likely than the wider population to have disabilities, be from black and minority ethnic communities, or be older, and to be lone parent families (usually headed by women). The Croydon CLT project is intended to provide permanently affordable housing for local people now and in the future.

9. ENVIRONMENTAL IMPACT

- 9.1 There is no environmental impact arising directly from this report.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There is no specific crime and disorder impact arising from this report.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 This report sets out the findings of the Housing Commission on Community-Led Housing, ways in which local authorities can support community-led housing

provides an update on the proposed community land trust in Croydon.

12. OPTIONS CONSIDERED AND REJECTED

12.1 This report is for noting with no options for consideration.

CONTACT OFFICER: Julian Ellerby, Director of Strategy and Partnerships.

BACKGROUND PAPERS:

Report of the CCIN Housing Commission: Community-Led Housing: a Key Role for Local Authorities (available at http://www.ccinhousing.co.uk/wp-content/uploads/2018/01/Community_Led_housing_Report_2017.pdf)