

## **What is community led housing?**

This section from the Community Led Homes website gives a comprehensive overview of the different CLH housing types with examples of each <https://www.communityledhomes.org.uk/what-community-led-housing>.

## **How is CLH defined?**

There is currently no formal legal CLH definition, but the following wording was adopted as an administrative three part definition for the purpose of defining organisations/projects that could receive support through the Community Housing Fund 2016-20:

- 1. Meaningful community engagement and consent occurs throughout the development process. The community does not necessarily have to initiate and manage the process, or build the homes themselves, though some may do*
- 2. The local community group or organisation owns, manages or stewards the homes and in a manner of their choosing, and this may be done through a mutually supported arrangement with a Registered Provider that owns the freehold or leasehold for the property*
- 3. The benefits to the local area and/or specified community must be clearly defined and legally protected in perpetuity.*

It was drafted to capture the main characteristics of CLTs, cohousing, cooperative and self-help (retrofit) projects. It also aimed to cover the range of approaches from DIY citizen initiated projects, like most CLT and cohousing projects through to the curated coop project promoted by a housing association which then recruits the first generation of coop members, as favoured in the Welsh Government's coop housing programme in recent years. It is not perfect, and the legal protection of area/community benefits 'in perpetuity', although a desirable outcome, cannot always be achieved unless as a charge registered on the title of land, which may also be an obligation arising from a s.106 planning agreement.

Discussions have been held with DLUHC and the Law Commission in recent years about a single standard definition in relation to CLH exemptions from the government's leasehold reforms and future proposals for the introduction of commonhold to replace current leasehold/freehold arrangements. In the event, the different CLH types have continued to work with their own definitions, providing more bespoke details under the overarching CHF definition.

Some notes on the definition and characteristics of each of the main types are set out in more detail in Annex 2, which also includes a longer section on CLTs which illustrates the context in which CLTs have grown, and which touch on Highbury Group interests in modes of land assembly, housing production, placemaking and long term stewardship of new housing supply.

## Community Land Trusts

Extracts from "*Messy is Good: Origins and Evolution of the CLT Movement in England 1986-2020*" by Stephen Hill, Catherine Harrington, and Dr. Tom Archer, in Chapter 8 of "*On Common Ground - International Perspectives on the Community Land Trust*" Eds. John Emmeus Davis, Line Algoed and Maria E. Hernández –Torrales (2020) Terra Nostra Press  
(Some minor clarifications in brackets)

### **3. New Institutions for Devolved Local Governance in Government Regeneration and Growth Area Programmes**

The third strand of the early CLT story is fundamentally different. In rural areas, it had been community leaders, activists, and residents who had taken the initiative to find a solution to local problems which neither the state nor anyone else was either trying or able to solve. In the national policy arena, the initiative for finding new ways to involve communities in housing provision and urban regeneration, thereby winning a place for CLTs, fell to a group of activist professionals: housing and public administration lawyers and specialists in housing development and finance. Their professional work was motivated by a public interest commitment to ensuring that citizens and communities would have an effective say in major decisions that affect their lives.

These activist professionals were to play a major role in promoting and positioning CLTs to become a potential instrument of housing policy, particularly as related to:

- Methods of land assembly in government-designated Growth Areas;
- New forms of local governance to promote community wellbeing, through effective stewardship programmes for community-owned or community-controlled land; and
- The regeneration of large urban public housing estates.

Although results on the ground were limited at the time, the presence of CLTs in public policy thinking were nevertheless critical to the development of the concept.

#### **Methods of land assembly in Growth Areas.**

The Labour Party, which led Britain's government from 1997 to 2010, backed a major expansion in housing supply, starting with its 2003 Sustainable Communities Plan, reinforced by major planning law reforms enacted in 2004. These measures aimed to empower citizens in local development of all kinds, requiring every development to have a Statement of Community Involvement.

Organisations like the Joseph Rowntree Foundation believed that community ownership of land for new housing development could be a powerful way to engage communities in the future of their places, while reducing opposition to new development. That was based on its own experience with community control of development and local governance at its New Earswick development. In its 2002 Centenary Year Report *Land for Housing*, the Foundation included a technical appendix explaining how CLTs could be used to secure a long-term community interest in land for new development.

CLTs were also advocated by the Local Government Association (LGA) in its 2004 publication, *New Development and New Opportunities*. Although councils had very few powers, resources, or political inclination to take advantage of these "new opportunities," LGA's endorsement helped to raise the profile of CLTs and to popularize the concept. A quote from a Local Government Association pamphlet in 2004, stated that... "*A community land trust is a private non-profit corporation created to acquire and hold land for the benefit of a community and provide secure affordable access to land*

*and housing for community residents. In particular, community land trusts attempt to meet the needs of residents least served by the prevailing market.”*

### **New forms of local governance to promote community wellbeing, through the stewardship of community-owned or community-controlled assets.**

Immediately preceding its planning reforms, the Labour government wanted to “modernise” local government. The New Deal for Communities (NDC), developed by the Labour government of the time, was a refinement of earlier urban regeneration programmes that had focussed on housing. It invested about £5 million annually in each of twenty deprived neighbourhoods (each containing up to 15,000 people) over a period of ten years. In 1998, councils and communities bid jointly for funding. Once selected, communities were put “in charge” of these resources. However, the central government failed to make councils cooperate with the NDC communities, thus seriously weakening the impact of this programme. Even so, a few successful NDC bodies continued after public funding ended in 2009.

The NDC programme formed part of a more systemic approach to local government (activities), integrating the use of assets, finance, town planning, and public service delivery. This approach was embedded in the Local Government Act of 2000, in which councils were given express powers to do anything they wished to promote the social, economic, and environmental wellbeing of their communities, a purpose that (was subsequently embedded in the definition of sustainable development as the purpose of the planning system when it was reformed in 2004 and) would later be reflected in the statutory definition of CLTs.

### **The regeneration of large urban public housing estates.**

From the late 1980s through the early 2000s, both Conservative and Labour governments funded capital programmes that enabled councils to improve ageing or structurally defective public housing estates. Funding conditions often required councils to include communities in both decision making about the projects and the long-term governance of estates. Until the Financial Crash in 2007, the government’s Community Housing Taskforce was investigating the potential for community-controlled CLTs to own the freehold of their estates, leasing the land to housing associations who would upgrade or redevelop this social housing.

## **4. A Statutory Definition for CLTs in England and Wales: Why There’s a “C” in CLT**

The activist professionals who were operating in this political environment had been inspired by the success of the Dudley Street Neighborhood Initiative [DSNI] in Boston. DSNI’s governance and holistic regeneration achievements (now over a period of 40+ years) were regarded as potential exemplars for both councils and communities that were being affected by plans for regeneration and new housing development.

The kind of devolved autonomy from the state, which DSNI represented, was promoted by activist professionals in England as a model of “double devolution.” This policy, adopted by the Labour government in the early 2000s, was intended to achieve a progressive devolution of powers from central to local government and from local government to communities. The Minister of Local Government considered various ideas for implementing devolution through his Local Government Sounding Board. The Local Government Association, however, had no interest in the idea of transferring any powers to communities, (See <https://www.theguardian.com/society/2022/feb/17/a-crushing-contempt-for-communities-that-stands-in-the-way-of-local-control>) despite its earlier endorsement of CLTs in the context of new development.

What the activists learned from this experience — and from the frustration of various CLT initiatives not quite coming off — was that CLT development could not be sustained in the face of shifting market or political conditions, unless “community” was the driving force behind the process. Even well-intentioned politicians, public servants, and professionals were no substitute for community leadership, advocacy, and organising in making CLTs happen.

Nevertheless, the activists appreciated the necessity for CLTs to obtain sufficient legal recognition that would justify a corporate existence independent of any particular government policy or programme, and any transitory political party alignment. Also in Cornwall, where CLTs were starting their first homes in 2007, it was especially apparent that having a national legal definition for CLTs would open up more sources of finance. Lenders were beginning to be more cautious as the Financial Crash unfolded. They needed a standardized definition of the CLT to understand what kind of organisation they were being asked to support in financing new residential development.

This ‘Cornish justification’ for enacting a CLT definition was a straightforward “ask” of Members of Parliament (MPs). A (cross-party) amendment was added to the Housing and Regeneration Bill that was going through Parliament, specifying how a “community land trust” was to be defined in England and Wales. (Despite determined resistance from the then Labour government), it was enacted into law in 2008.

This is the text of the Definition of a Community Land Trust in England and Wales, as set out in Section 79, of the Housing and Regeneration Act 2008:

*A CLT is a corporate body which satisfies the two conditions below:*

**Condition 1.** *It is established for the express purpose of furthering the social, economic and environmental interests of a local community by acquiring and managing land and other assets in order:*

- *to provide a benefit to the local community; and*
- *to ensure that the assets are not sold or developed except in a manner which the trust’s members think benefits the local community*

**Condition 2.** *It is established under arrangements which are expressly designed to ensure that:*

- *any profits from its activities will be used to benefit the local community (otherwise than by being paid directly to members); and*
- *Individuals who live or work in the specified area have the opportunity to become members of the trust (whether or not others can also become members) and the members of a trust control it.*

The wording of this statutory definition was not just intended to reassure lending institutions, however. It was even more relevant for communities needing a legal form through which they could become more powerful in decision making about the future of their areas. By linking a CLT’s purpose to the ownership of land for promoting the interests of residents, the definition tried to remedy the democratic deficit that had been left by the Labour government’s abandonment of “double devolution.” It also addressed the absence of any obligation of landowners to serve the “common good” in English property rights and law; (albeit to a limited extent to avoid the Bill becoming a hybrid bill i.e. dealing also in private property rights).

Embodied in this CLT definition were three essential concepts that would empower communities in the planning, development, and regeneration of their local areas. These three concepts were:

1. A CLT could only exist to protect and promote the economic, social and environmental interests of the existing community, directly copying the wellbeing powers given to councils in the Local Government Act 2000, and the legal purposes attributed to the planning reforms in the Planning and Compulsory Purchase Act 2004, (and the definition

- of sustainable development contained in subsequent planning guidance, upto and including the latest iteration of the NPPF);
2. Land could only be owned and used for purposes of securing the “common good”; and
  3. Participatory, democratic control and democratic influence should be hallmarks of local development.

For most community activists, their main motivation for setting up a CLT was to restrict the price of land, curbing an out-of-control land market that was working against the wellbeing of their communities. This represented an approach to the pricing and allocation of land that elected and appointed public officials were, and still are, reluctant to adopt. The definition’s overriding purpose was, therefore, to give communities status and democratic legitimacy to act in their own interests, pursuing a strategy that did not have to be decided by either the central or local government.

## **Cohousing Communities**

Cohousing communities in the UK aim to follow the five Cohousing Principles, co-designed by the group membership of the UK Cohousing Network:

- 1. *Cohousing is co-designed with intentional communities***  
The initial group contribute significantly to the design of the cohousing community and take an active role in creating the community.
- 2. *Cohousing includes both the provision of private and common facilities providing a balance between privacy and community***  
Most cohousing communities have a common house, with shared facilities such as cooking and dining spaces, meeting and playing areas, laundries and guest rooms. This may mean that the private dwellings are smaller as residents also have the benefit of the common facilities. Shared outside space for gardens, children’s play, parties and food growing often feature in a cohousing project.
- 3. *The size and scale of cohousing is appropriate to support community dynamics for easy informal communal contact. (This is usually between 10-40 households.)***  
Where possible, design is used to encourage social interaction, for example by keeping cars to the periphery and putting a common house in centre of the site. Most communities eat together regularly, and so the common house is designed with shared dining facilities.
- 4. *Cohousing embeds collective resident control and stewardship into its legal form and decision making***  
Residents manage their own community, looking after the maintenance and development of it, running the finances, tending the gardens, organising shared activities. The community is governed in a non-hierarchical way, often using consensus decision making. All adult residents are encouraged to take part in decision making; some communities also require residents to undertake a set number of hours work for the community.
- 5. *Cohousing communities are inclusive and part of the wider community***  
Cohousing communities actively encourage open membership. People wishing to join a group will need to work out if cohousing is right for them. Cohousing groups often host wider community activities in the shared space and common house.

When engaging with DLUHC and the Law Commission about exemptions from proposed leasehold reform and commonhold measures, UKCN worked with its group members to design a legal definition based on these three elements that mirrored the structure of the Community Land Trust (CLT) statutory definition:

- A cohousing community is a body corporate with a community benefit objective,

- The homes and other property owned by a cohousing community can only be used to fulfil its objectives, and
- The cohousing community has the power to make their own decisions and must be accountable to all their members for meeting the objectives.

This aimed to help groups that want to be a cohousing CLT to meet both definitions in a very similar way. The resulting draft legal definition is work in progress and, as yet has no legal force:

- A cohousing community will comprise residential units (Law Commission preferred term!), together with communal and ancillary facilities, collectively created by members of that community, and with an objective of fostering the social and environmental wellbeing of all its members, as well as contributing to the wellbeing of the wider area in which the cohousing community is located.
- The management of a cohousing community is shared by all its members, who shall also be members of the body corporate owning the freehold or head leasehold interest in the relevant land. All member households occupy their individual residential units on terms that ensure that the cohousing community's objectives are achieved.
- The terms of membership and the role of members in decision-making will be determined as appropriate by each cohousing community to ensure accountability to all the members. Members may also include, say, a housing association as the immediate landlord of any social/affordable rented homes.

## Housing Cooperatives

Similar to cohousing, housing cooperatives are based on their own set of seven overarching cooperative principles, used by the International Cooperative Alliance today.

### **1. Voluntary and Open Membership**

Cooperatives are voluntary organizations, open to all people able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

### **2. Democratic Member Control**

Cooperatives are democratic organizations controlled by their members – those who buy the goods or use the services of the cooperative – who actively participate in setting policies and making decisions.

### **3. Member Economic Participation**

Members contribute equally to, and democratically control, the capital of the cooperative. This benefits members in proportion to the business they conduct with the cooperative rather than on the capital invested.

### **4. Autonomy and Independence**

Cooperatives are autonomous, self-help organizations controlled by their members. If the co-op enters into agreement with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the cooperative's autonomy.

### **5. Education, Training and Information**

Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative. Member also inform the general public about the nature and benefits of cooperatives.

## **6. Cooperation among Cooperatives**

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

## **7. Concern for Community**

While focusing on member needs, cooperatives work for the sustainable development of communities through policies and programs accepted by the members.

Cooperatives are also based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. Cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

Few co-operative housing schemes are the same, but common factors that identify them and make them successful are:

- A co-operative housing scheme has a community membership where those who live in homes developed are required or are encouraged to become members – in some cases – alongside other local community members
- That community membership is able to democratically control the housing organisation in some way through general meetings of the organisation

Co-operative housing organisations may own (either through freehold or leasehold) and/or manage their homes, can be small or large and have a variety of different methods of achieving their objectives.