

Affordable homes for local communities: The effects and prospects of community land trusts in England

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Executive Summary

Introduction

There is a significant shortage of affordable housing in England, with the country remaining in the grip of a housing system characterised by lack of affordability, low supplies of social housing, and issues of soaring rents and poor conditions in many parts of the private rented sector. The consequence of this is that housing options for those on low to medium incomes are limited, meaning many spend high proportions of their income on housing or are unable to live in areas of their choice. Linked to this is the issue of high residential land values, which is one of the biggest impediments to the delivery of affordable housing.

Community land trusts are organisations which tackle these issues. CLTs are initiated and governed by local residents seeking to provide affordable housing and community amenities for the benefit of a defined geographic area. They acquire land and hold it in trust, using their ownership of land to control the prices of the homes they build. When offering homes for sale, CLTs typically retain the freehold of land and sell leaseholds or equity stakes at affordable levels, with resale restrictions in place to maintain affordability and avoid homes being taken into private ownership. CLTs also offer homes for rent and provide for those who would be otherwise unable to live in communities where they have strong local links through family, residence, and employment.

The Research Context

CLTs are advocated for their provision of affordable housing and their commitment to democratic participation, local accountability, and neighbourhood control, but there has been little insight in existing research as to how this manifests in their activities. This is particularly important given issues such as differential levels of skill, capacity, access and resources within and between communities, as well as the Government's lofty expectations of communities with respect to service delivery, asset ownership, local democracy, and the resolution of social problems. The objectives of this research were therefore:

- To explore the benefits CLTs offer to their residents and the wider community as a provider and owner of affordable housing and other community assets;

- To explore the community development role of CLTs, looking at processes of community empowerment, democratic participation, and local accountability;
- To explore the mechanisms and partnerships that support CLTs in fulfilling their objectives.

Three case study CLTs were selected and a total of 39 interviews were undertaken with CLT board members, representatives of local community organisations and stakeholders, residents of CLT homes and of the wider community in which CLTs were based, and CLT experts working in the sector at regional and national levels.

Capturing land value for community-led housing initiatives

The rural CLTs in this research were primarily concerned with ensuring a suitable level of affordable housing provision for their communities. These CLTs were based in villages affected by limited supplies of affordable housing and disparities between local house prices and incomes that prevented younger and lower-income households from meeting their housing needs locally. This was perceived to have negative consequences for their villages, with detrimental effects to local businesses, schools, community, and public services, and it is these issues that CLTs sought to tackle.

In rural areas, CLTs have developed homes with lasting affordability built into their resale restrictions through equity shares held by the CLT, shared ownership models where the proportion of the property held by an individual is limited, and community-based homes for rent. These homes can meet local housing needs that are unmet by other providers in the area, while offering security, stability and affordability to residents and tenants who are offered affordable housing opportunities previously unavailable to them. However, there are challenges in replicating this in urban areas due to land supply and competitive market processes when trying to purchase land, as well as their current inability to preserve affordability in perpetuity due to leasehold enfranchisement legislation.

The homes that CLTs build are underpinned by narratives of place, identity and community that account for local connections, personal circumstances, and community cohesion in the allocation of homes. This is related to the attachment CLTs have to their local communities, as they seek to provide and preserve access to housing for local residents in perpetuity.

The contribution of CLTs to local economic development

While the initial motivation and impetus for CLTs usually relates to the resolution of local housing issues, they also become involved in the acquisition and ownership of other community assets. This is usually a response to the closure or disuse of local amenities, with CLTs stepping in, in order to

ensure long-term social benefits from enterprises in their locality. As asset-owning community bodies, CLTs are well placed to capitalise on new opportunities for asset ownership and economic development, provided they are well equipped with the experience and skills in the acquisition and development of assets.

CLTs have brought assets such as local pubs and bakeries back into use for community benefit, and economic benefits have begun to be realised for local communities. The CLT structure of collective ownership can capture revenue from local economic processes for reinvestment in their area of operation, securing an economic settlement that may be of future benefit for local residents. The refurbishment and use of these assets has also provided opportunities for volunteering and community development.

CLTs and their processes of consultation, participation and empowerment in local communities

CLTs place a strong emphasis on community control, ownership and leadership in the design, delivery and ongoing management of their organisations and ownership of assets. This is reflected not only in their open democratic governance structures, but in their encouragement of a range of activities that promote local decision-making and alternative forms of democratic expression in their communities.

The commitment CLTs have to in-depth and ongoing community consultation and engagement over the design and planning of their housing is significant, as ensuring development is driven by local needs and priorities can build support for and reduce opposition to their housing plans. Participative design processes, community plans, and techniques of collaborative decision-making can provide a catalyst for community activism, providing a vehicle for local democratic decision-making that involves a diverse range of people previously excluded from such processes. Personal benefits are also experienced, as CLTs can support the acquisition of skills and expertise for individuals in communities, promoting the development of human capital.

The role of communities in contributing to CLT plans can add legitimacy to their decision-making processes, and in rural locations this was felt to help reduce opposition to affordable housing development that may otherwise have occurred. However, there are limitations to these collaborative approaches: CLTs are careful not to claim they are representative of their entire communities due to the complexities of political geography and different notions of 'community', while there are also difficulties in recruiting people for the day-to-day governance of organisations.

Overcoming challenges through public and third sector partnerships

CLTs face a number of challenges in starting their work, including gaining support from local authorities, acquiring resources on terms that are appropriate to their aims, and ensuring they have the requisite human capital to proceed with their plans.

The role of local authorities is crucial in supporting CLTs. They have been important partners in providing resources, such as land, start-up grants or loans, or in supporting funding applications from initiatives such as the Empty Homes Community Grants Programme. Without the economic and cultural support of local authorities, CLTs would struggle to advance their aims, which is also illustrated by the difficulties one case study has encountered in trying to acquire empty properties from public ownership.

There is often reliance within CLTs on key individuals within their organisations. This may be problematic in the future, as the concentration of knowledge and skill may affect the future succession planning of CLT boards. Where key skills and human capital are limited, CLTs strengthen their internal resources through the recruitment of local professionals onto boards and engagement with CLT intermediaries. Although CLTs exhibit high levels of external democracy, through their engagement of local communities in the planning of new developments, there is nuance and limitation to their community-led structures of internal democracy.

Intermediaries are important actors in the CLT process; not just in the provision of specialist advice and expertise to local volunteers, but at the interface between CLTs and local authorities, as they help to bridge divides between policy and community interests, cultural attitudes, and contrasting priorities.

CLTs are confronted with challenges in accessing public housing grant for housing development, particularly in relation to their internal capacity and ability to respond within the timescales of funding programmes. To overcome these issues, housing associations are increasingly engaged as partners for CLTs. These partnerships are based on different levels of formality, longevity and economic arrangements, and different partnership models have contrasting levels of risk and reward. While partnerships have proven to be productive and beneficial, it will be important for the CLT sector's independence and identity to ensure that community leadership and activism remains at the heart of CLT operations as their relationships with housing associations continue to develop.

Concluding remarks

The scale of action for CLTs remains small, but the evidence collected in this research suggests that they may be important vehicles through which land value can be captured and used for the benefit of local communities, through the development of affordable housing and other local amenities that can be conceived as community assets. Possible ways of increasing the volume and scale of CLTs may include:

- Incorporation into new proposals for Garden Cities;
- Development of a policy framework, including public funding mechanisms that provide funding on a more flexible, ongoing basis;
- Greater institutional support from local and national governments, including potential designation of land for collective ownership of housing within planning policies and large-scale developments;
- Further development and honing of CLT-housing association partnerships, building on the productive relationships described in the study to ensure that CLTs retain their identities whilst benefiting from the partnership arrangements which they choose to enter into to meet their aims.

1. Introduction to CLTs

A community land trust (CLT) is an organisation initiated and governed by local residents seeking to facilitate the delivery of affordable housing and other community facilities for the benefit for a defined geographic area. CLTs are community-controlled and adopt legal structures that place an emphasis on non-profit status and the leadership of local communities through open democratic governance structures. Their practical focus is usually on the development and retention of permanently affordable housing. CLTs seek to acquire land and hold it in trust, allowing them to control the price of homes they develop on the land through ownership and covenants that are placed on the resale and rental of homes (Moore and McKee, 2012).

The history of CLTs lies in the United States, where the model has been used to provide permanently affordable housing and community amenities, particularly in areas of high value where affordable housing opportunities are limited for lower-income households, as well as in areas requiring neighbourhood regeneration (Davis, 2010). CLTs can provide homes for sale and for rent. When offering homes for sale, CLTs typically retain the freehold of land and sell leaseholds or equity stakes in homes at affordable levels, with restrictions in place to ensure homes remain affordable and are not taken into private ownership. The intention here is to provide lasting affordability and access for the next generation of buyers by limiting the extent to which people can personally profit from housing. The emphasis is on land and housing as being a collective resource, rather than a vehicle solely for the individual accumulation of wealth.

Set against the ongoing housing crisis, interest has grown in CLTs in England since the turn of the century. Analysis by Shelter shows that median house prices in England rose 249% from 1997 to 2012, far faster than any inflation in wages over that period (Jeffreys, 2013), which in many parts of the country has resulted in younger households and first-time buyers being priced out due to high deposits and difficulties in accessing mortgages (McKee, 2012a; Moore, 2013). In addition, notwithstanding important geographical differences, social housing generally tends to be in short supply as the welfare safety net is scaled back, while the private rented sector is often typified by short-term insecure tenancy agreements. The impact of this is that housing options for those on medium and lower incomes are limited.

These issues of housing supply and affordability are inherently linked to high land values, which are one of the biggest impediments to the delivery of affordable housing. Between 2000 and 2007, residential land prices rose by 170 per cent, compared to a 124 per cent increase in house prices

(Griffith, 2011). The implication of this is that a growing percentage of the cost of homes is taken up by land costs, creating what a joint report by KPMG and Shelter (2014: 8) recently described as “*a vicious circle in which high land prices ensure housing output remains low and house prices high – which in turn sustain higher land prices.*” It is these forces that CLTs seek to counter, as they seek to reduce the impact of land prices on the cost of the homes they develop by holding it in trust and capturing land value for community benefit.

It is in the context of these housing issues that CLTs have grown in prominence. Ten years ago there were few concrete examples of CLTs and a small number of advocates trying to set them up. Their work, through a national demonstration programme that began in 2006 (see Aird, 2009 for a summary), has gradually contributed to the creation of an identifiable CLT sector in England composed of over 160 local CLTs and a network of intermediary support agencies at national and regional levels (Moore and Mullins, 2013).

1.2 The policy context: localism and community-led housing

Parallel to the recent rise of CLTs, there has been a new wave of Government interest in the empowerment of civil society. Successive Governments have sought to mobilise communities by promoting opportunities for community asset ownership, encouraging people to become involved in the design and delivery of public services, and to influence local planning policies (Moore and McKee, 2014a). This reflects the shifting relationship between state and society, illustrated most recently by the Coalition Government’s election in 2010 and the Localism Act in 2011 which sought to scale back the state’s role in public life and to reduce bureaucratic complexity perceived to hinder people and communities from taking responsibility for their own fate. Reforms introduced in the Localism Act sought to deliver on a stated goal of the current Government: to encourage a culture change based on “*a different vision of Britain, one where power is shared and communities are once again trusted to be in charge of their own destinies.*” (Conservative Party, 2009: 7).

The Coalition Government’s localist philosophies therefore aim not only to alter the scale at which social issues are resolved by encouraging greater local action, but to unlock societal benefits through the engagement of communities in forms of local participatory democracy. On face value, this positioning of communities and political advocacy supports the arguments put forward by advocates of community asset ownership, who argue that this can enable local residents to both collectively shape the direction of their residential environments and to gain and retain flows of capital in their local area (Haughton, 1998; DeFilippis, 2001).

It is within this policy context that CLTs have been recognised not only as a provider of affordable housing, but for their apparent empowerment of the communities they serve through community-led processes of housing design, delivery and management. Last year, the Government's then-Housing Minister highlighted the role of CLTs in supporting and empowering local communities within the context of localist reforms:

The Government fully supports the work of community land trusts, and other organisations that support and empower their local communities. Community land trusts have played an important role in helping communities bring forward the type of development that they wanted to see.

Prisk (HC Deb, 25 June 2013 c192W)

However, there are a range of counter-narratives that question the scope and effectiveness of the opportunities afforded to communities under the regime of localism, as they have been introduced simultaneous to significant funding cuts for housing, regeneration and the third sector (Kane and Allen, 2011). While welcoming greater recognition and powers for communities to effect change, critics highlight the contradictions in recent policy developments, as the voluntary and community sector is given greater responsibility but fewer resources to fulfil its expected role and potential (Macmillan, 2013). Furthermore, while communities are expected to contribute to the resolution of social problems, the expectations of community asset ownership are far-reaching. The think tank *Respublica*, which has been influential on Government thinking, stated in 2010 that:

Ownership of local assets by community organisations and individuals, particularly in low-income areas, can help liberate people from social inequality, economic dependency and entrenched poverty (Wylter and Blond, 2010: 6).

While there is wide-ranging evidence that community organisations can produce beneficial outcomes for local residents, including contributing to their personal wellbeing, democratic involvement, and enhancement of their living arrangements (Bliss, 2009; McKee, 2012b; Gulliver *et al.*, 2013), the lofty expectations of communities needs to be balanced with an acknowledgement as to how structural inequalities and imbalances in the distribution of wealth contribute to the perpetuation of social problems (Moore and McKee, 2014b). Furthermore, notwithstanding the positive contributions these organisations can make in low-income areas (Arradan and Wylter, 2008; McKee, 2012b) previous research (Mohan and Bulloch, 2012) has highlighted that citizen participation in community organisations is most common amongst people with higher educational qualifications, who live in affluent areas, and have professional occupations, suggesting that there

may be differences within and between communities as to how localism and community action manifests on the ground.

1.3 A potted history of CLTs in England

While the CLT sector in England is a relatively recent phenomenon that has paralleled the popularisation of localism, it is important to note that its emergence both predates and has largely been independent of these policy developments.

National demonstration programmes from 2006-2008 and 2008-2010 piloted the CLT model in England, led by action researchers at the University of Salford and supported by a group of funders including the Department for Communities and Local Government (under the former Labour administration), the Carnegie UK Trust, and the Tudor Trust (see Paterson and Dayson, 2011 for a more comprehensive summary). These programmes aimed to help emerging CLTs with their developments, to raise awareness of CLTs at a national scale, and to support the creation of a network of intermediary agencies at national and regional levels. This includes a National CLT Network, formed in 2010 to support emerging and existing CLTs across the country through transmission of best practice, provision of technical advice and assistance, and lobbying to create favourable conditions for CLT development. The National CLT Network is a membership organisation and receives financial support from a number of charitable sources. At the regional and sub-regional agencies there are seven enabling intermediary organisations dedicated to supporting CLTs. These enablers support local groups by providing specialist and bespoke advice to groups in their area, assisting with organisational formation and governance, and by liaising with external partners and stakeholders. These organisations often operate as constitutionally independent partners or arms of local housing associations, community development organisations and rural housing trusts (Moore and Mullins, 2013).

The consequence of the sector's development is that there are now an estimated 160 CLTs in existence with approximately 283 CLT homes completed or in development. The National CLT Network has a stated objective of supporting local CLTs to deliver up to 1,000 homes nationwide by 2016 (National CLT Network, 2013a). While urban examples are also emerging, CLTs are currently mainly located in rural areas; particularly where local people and key workers are unable to access housing where supply is low and demand is high, causing house prices to escalate beyond the reach of local incomes. CLTs aim to acquire and hold land in trust to provide permanently affordable housing, using their ownership of land to regulate the resale and use of homes (Community Finance Solutions, 2008; Paterson and Dayson, 2011; Moore and McKee, 2012).

The CLT approach to affordable housing provision is coupled with a distinctive organisational structure that places community control and empowerment at the heart of its governance. CLTs are established as legal entities such as Industrial & Provident Societies or Community Benefit Societies. These emphasise non-profit status, orientation towards community benefit, and the ownership and control that local residents have over the organisation's purpose and mission. These characteristics are reflected in the legal definition of a CLT, as described in the Housing and Regeneration Act 2008, and set out in Appendix 1.

It is in this way that CLTs exhibit similar principles to other forms of community-led housing, including co-operatives, co-housing, and self-help housing groups (Mullins, 2010; Gulliver *et al.*, 2013), though an important distinction is made in that CLTs are formed and managed by non-beneficiaries; that is that they are not usually the end users and residents of the homes that are built. In this way, CLTs adopt a broad approach to community development, seeking to ensure that governance structures have broad community representation and open membership. These structures of internal democracy are a key argument in favour of the use of CLTs, as advocates argue that this will mean their activities are more responsive to, and reflective of, local needs and priorities (Diacon *et al.*, 2005). The extension of power and influence to local residents within structures of collective ownership has historically been a key feature of CLTs, dating back to the model's emergence in the United States (and reflected in its adoption in England):

It is true that in the long run CLTs must acquire significant amounts of land if they are to be seen as important institutions. For the present, however, we can best measure the success of newly formed CLTs, not in terms of total acreage or total housing units but in terms of the constructive community activity being generated. Without this sort of activity – and the sense of community that goes with it – no amount of institutional change can solve our problems. The open and democratic structure of the CLT is thus a centrally important feature of the model. A community land trust cannot succeed as something created merely *for* a community, it must represent an effort *of* and *by* the community (Institute for Community Economics, 1982, quoted in Davis, 2010: 256).

There is therefore a dual role for CLTs, in that they develop and retain affordable housing, which is preserved for lasting community benefit, whilst seeking to support and promote the empowerment of the communities they serve. Yet, while much research has reflected on the ways in which other forms of community-centred housing promote democratic participation, local accountability, and neighbourhood control, there has been little insight as to how this manifests within modern-day

CLTs. This is especially important given the current assumptions inherent to localist agendas that seek to mobilise local people around their common interests and attachment to place, as well as to the latent skills and capacities assumed to exist within communities encouraged to own land and housing. While localism promotes participatory processes that create social value and bring community benefit, issues such as differential levels of skill, capacity, access and resources within and between communities suggest there may be geographical variance in the ways that CLTs support and empower their communities.

Given the relatively recent emergence of CLTs, the existing research evidence has largely focused on sector-led case studies (Community Finance Solutions, 2008; Aird, 2009; Paterson and Dayson, 2011), discussions as to the potential role and impact of CLTs (Paterson and Dunn, 2009; Archer, 2011), or focused on organisational perspectives, rather than exploring the ways in which CLTs are formed, directed and experienced by local people beyond their immediate protagonists (Moore and Mullins, 2013).

A key aim of this study was therefore to explore the mechanisms that support CLTs in fulfilling their dual role as a provider of permanently affordable housing and vehicle for community empowerment, through engagement with those forming CLTs, their defined communities and beneficiaries, and stakeholders that may support them in balancing their commitment to community benefit and leadership with issues of inequities and imbalances in the distribution of time, skills and resources. The following section details the study's objectives and research methods, before moving on to present its findings.

2. Research Objectives and Methods

The findings of this report are based upon research funded by the British Academy undertaken from June – October 2013. The objectives underpinning this study were as follows:

- To explore the benefits CLTs offer to their residents and the wider community as a provider and owner of affordable housing and other community assets;
- To explore the community development role of CLTs, looking at processes of community empowerment, democratic participation, and local accountability;
- To explore the mechanisms and partnerships that support CLTs in fulfilling their objectives.

The research involved the study of three CLTs located in the rural North West, urban North West, and rural South West of England. Case studies were selected on the basis that each was based in a different local authority area from the other and that a mix of urban and rural CLTs were represented in order to allow for geographical differences to be observed, and that they had advanced their housing and asset ownership plans sufficiently for their key enabling factors and organisational relationships to be identified. Case studies were identified using the researcher's existing knowledge of CLTs, web searches, and consultation with national CLT experts. The CLTs that took part in the study were:

- Homebaked Community Land Trust, based in the urban area of Anfield in North Liverpool;
- Lyvennet Community Trust, based in the village of Crosby Ravensworth in Cumbria;
- Queen Camel Community Land Trust, based in the village of Queen Camel in South Somerset.

Two phases of research were undertaken:

2.1 Research Phase One

The author visited each CLT for a week at a time during June and July 2013, conducting a total of **31 interviews** across the three case study sites. Each CLT assisted with the identification of potential interviewees within their communities and of key organisations that should be represented in the study. In order to avoid sole reliance on individual gatekeepers, participants were also identified

through a review of the organisations involved in each CLT's development to date (where information was available), and through a process of snowball sampling where existing contacts are asked to recommend other relevant respondents in their social and professional networks. Interviews in each case study area were conducted with the following groups of people:

- CLT board members;
- Representatives of local Parish Councils or neighbourhood associations;
- Residents of CLT homes and residents of the wider community in which CLTs were based;
- Representatives of partnering organisations and local stakeholders including local authorities, local housing associations, and national funders;
- Enabling intermediary organisations that supported local projects.

While every effort was made to ensure a representative spread of interviews in each case study, this was not always possible due to non-response from partnering organisations or some departments of local councils.

Relevant contextual literature and documentation was also analysed, some of which was available publicly and some of which was provided by participating organisations. This included local community plans, organisational information and policies, strategic documents produced by the CLT describing their objectives and development, housing allocation policies, and organisational research reports. A full list of these documents is found in Appendix B.

The length of case study visits also allowed the opportunity for the author to be shown around the local neighbourhood by CLTs, developing an appreciation of the physical and personal contexts in which CLTs were instigated by local people.

2.2 Research Phase Two

The second phase of the research involved a further **8 interviews** with people working in or with the CLT sector nationally and in different regions to the case study areas. This second phase sought to strengthen the resonance of the research by exploring the extent to which the general experiences of the case studies were reflected in the development of CLTs elsewhere. It also sought to

complement the in-depth case studies with a broader exploration as to how local CLT activity related to policy and practice developments nationally.

Data analysis was then undertaken in autumn and winter 2013 using CAQDAS Nvivo software. The research findings that follow are based on thematic analysis of the 39 interviews that were undertaken. The following section provides a descriptive introduction of each participating CLT, setting the context of their development, before moving on to a thematic discussion of the key findings of the study.

3. Introducing the case studies

3.1 Lyvennet Community Trust

The Lyvennet Community Trust formed as a company limited by guarantee in 2009 in order to deliver housing and other community assets. The trust's defined area of benefit is the area known as the Lyvennet Valley in Cumbria, composed of four villages: Crosby Ravensworth, Maulds Meaburn, Kings Meaburn and Reagill, though thus far the CLT's delivery of housing and assets has been based in Crosby Ravensworth. The Lyvennet valley is part of the wider district of Eden, which is one of the most sparsely populated and rural districts in England.



The rural environs of Crosby Ravensworth, with the village in the distance

Crosby Ravensworth's population was recorded as 517 in the 2011 Census, with just over 50% of residents aged 45 or over (compared to an average of around 40% across Cumbria as a whole). Data collected by the Lyvennet Community Trust in 2010 showed that the mean house price in Crosby Ravensworth was £285,159, outstripping household incomes by a ratio

of 9.1 (Lyvennet Community Trust Business Plan, 2010). Over 70% of the local housing stock was owner occupied, with limited options for affordable housing.

Tenure distribution of housing stock in Crosby Ravensworth	
Owner occupied	72.6%
Shared ownership	0.5%
Social housing	2.4%
Private rent	22.1%
Living rent free	2.4%

Table 1: Tenure distribution of housing stock in Crosby Ravensworth (Cumbria Intelligence Observatory, 2011)

The CLT formed in response to findings of a local community plan and a housing needs survey which highlighted a range of concerns that were perceived to be linked to the local shortage of affordable housing, including a lack of community amenities (including no shop and a closed pub) and insufficient provision of facilities and activities for younger generations. These concerns were supported by the findings of the 2009 Strategic Housing Market Assessment, which highlighted that the combination of an ageing population and expensive housing was making it difficult for younger households to reside in the village, leading to the conclusion that: *“Affordable housing for younger families is therefore vital to prevent out-migration and achieve sustainable economic growth”* (Eden District Council, 2009: 68).

The CLT has 10 board members. It benefited from early support from the Cumbria Rural Housing Trust, a local intermediary set up to support rural housing development. CRHT provided the trust with specialist advice on using the CLT model, organisational formation, and financial support, while initial seedcorn funding was received from the Parish Council (£1,000) and the Tudor Trust (£2,500) to support the incorporation of the company, business planning, and to pay for specialist support with these tasks. Further funding to cover professional fees was provided by Eden District Council, which offered a £30,000 loan (half of which was later converted to a grant), the Homes and Communities Agency with a £660,000 grant for housing development, and £1m private finance from the Charity Bank. The CLT became a Registered Provider of social housing through the Tenant Services Authority (which was subsequently absorbed into the HCA); the first CLT in the country to

do so. In addition, they qualified as an HCA Investment Partner allowing access to 2008-2011 National Affordable Housing Programme funding.

The CLT project has provided 19 homes. Ten of these are affordable rent, two for shared ownership sale, and seven properties were included in the scheme as self-build plots sold to individuals, which helped to cross-subsidise the affordable homes. These were completed and occupied by residents during 2012. A former industrial site in the village was acquired from a national company and the price of land was kept down by persuading the company to retain two private plots of land to sell as open market ownership. The Trust also has a trading subsidiary – Lyvennet Community Developments – which handles the self-build plot sales. This was required as the Lyvennet Community Trust is a registered charity and therefore cannot trade. A number of the LCT directors also set up the Lyvennet Community Pub, which through a £300,000 community shared issue brought the village pub back into use in 2011 as a community enterprise.

3.2 Queen Camel Community Land Trust

Queen Camel is a village in the South of Somerset, approximately 7 miles from the town of Yeovil. According to the 2011 Census, the village has a population of 908, nearly a quarter of which are aged 65 or above. 49.9% of the village’s population are of working age (16-64), lower than district and national figures of over 60%. The village housing stock is largely composed of expensive owner occupied properties with a small proportion of rented properties.

Tenure distribution of housing stock in Queen Camel	
Owner occupied	69.9%
Shared ownership	0.00%
Social housing	12.1%
Private rent	13.8%

Living rent free	4.2%
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Table 2: Tenure distribution of housing stock in Queen Camel (Somerset County Council, 2011)

The roots of the CLT in Queen Camel can be traced back to a community planning processes undertaken by its Parish Council between 2003 and 2005, where local residents were quizzed on local housing, planning, environmental and public service issues. The data collected was used to write a community plan in 2005 and a range of social and economic concerns were identified, including the out-migration of young people due to a lack of affordable housing, as well as latent demand and need for housing within the village. This was perceived not only to contribute to an ageing population but also as having a negative impact on various amenities in the community, including the viability of local businesses, the use and presence of local services, and local school figures.

A Planning & Development working group was formed out of this plan, composed of local residents tasked with exploring options for local housing development. This group commissioned an independent local housing needs survey in 2007, produced a development plan to address those needs in 2008, and in 2011 formally constituted itself as a CLT. The CLT has seven board members and has benefited from ongoing support provided by a local CLT intermediary; the Wessex CLT project.

Prior to forming as a CLT, it received a £3,000 grant from Somerset County Council to pay professional fees. In 2012 the CLT, in partnership with Hastoe Housing Association, received an £868,000 grant from the Homes & Communities Agency to fund the purchase of land and development of 20 affordable homes (16 for rent and 4 for sale on a shared ownership basis). A suitable site for the housing was identified in partnership with South Somerset District Council and the local community, and was purchased from a private seller. Planning permission was granted in 2013 and homes are due to be completed and occupied by the beginning of 2015.



Queen Camel CLT housing development (Credit: Steve Watson, Wessex CLT)

The CLT is unique from others in the study in its ownership model, as it does not own its housing. The CLT retains the freehold ownership of the land upon which the housing stands, with its housing association partner managing the homes as part of a long-term lease. The housing association pays the CLT a ground rent to lease the land and receives the rental income from the properties, with the CLT having a future opportunity to buy the housing association out of the lease as part of the agreement.

Although it is not the focus of this study, it should also be noted that the village of Queen Camel was selected as a neighbourhood frontrunner in 2011. A neighbourhood frontrunner is a locality which was selected to trial new powers for neighbourhood planning introduced by the Localism Act in 2011. Neighbourhood planning allows localities to produce development plans that establish general planning policy principles for the development and use of land in their neighbourhood. However, the CLT in Queen Camel both predates and is independent of this agenda, and as such neighbourhood planning is not specifically addressed in this report.

3.3 Homebaked Community Land Trust

Homebaked CLT is located in the ward of Anfield in Liverpool, directly opposite the famous football stadium. Parts of Anfield are found in the top one per cent of the Index of Multiple Deprivation and the area has been described by Liverpool City Council as *“one of the most deprived wards in the city”*. The City Council also identified that there are *“considerable housing, health and worklessness issues in the ward which will require long-term solutions”* (Liverpool City Council, 2014). Yet, as Southern (2014) points out, this was not always the case and it is only since the late 1970s that Anfield has begun to significantly suffer from these problems as a result of a weak local economy, disconnection from areas of prosperity, and public policy decisions (also see Anfield/Breckfield Community Steering Group, 2002).

The formation of Homebaked CLT was unconventional compared to the other CLTs in this study. In 2009 a public arts organisation, Liverpool Biennial, invited a public artist Jeanne van Hesswijk to visit Liverpool to work on a public art project addressing housing and wellbeing in areas affected by Housing Market Renewal (HMR).

HMR was an ambitious multi-million pound regeneration programme that sought to intervene in local housing markets characterised by perceived low demand, low housing values, and housing thought to be in poor condition. HMR areas received significant funding to refurbish properties, develop new-build homes, and – controversially – to demolish existing homes thought to be unsuitable, with these redevelopments opening space for complementary private sector investment. This involved compulsory purchase orders placed on local homes and businesses. HMR was scheduled to run from 2003 until 2018, but public funding was terminated prematurely in 2011 leaving many areas in limbo, with regeneration and demolition incomplete. This was exacerbated by an additional regeneration scheme in the area related to the redevelopment of the local football stadium; this involved the purchase of homes by the football club which were left empty due to (ongoing) delays in beginning construction, contributing to the decline in local social and economic conditions (Southern, 2014). This deterioration of the physical neighbourhood has been lucidly described by the CLT's website:

The neighbourhood is made up of residential terraced streets, many of which have been earmarked for clearance and emptied. The main street formerly offered varied independent local shops but has in recent years fallen into decline, and now consists mainly of fast food outlets, catering to match-day visitors. Many houses have been demolished in the past few months, leaving temporary grassed areas that still show the footprint of the terraced streets. Many streets are completely “tinned up”, leaving residents stranded in otherwise derelict areas and young people growing up in streets with few neighbours and fewer amenities. Other streets in the neighbourhood still house a mix of owner-occupiers, social and private tenants (Homebaked CLT Website, undated).

These observations are also evidenced by statistics that show a decline in Anfield's population by 6.5% since 2002 and that 6.7% of the ward's housing stock is classed as 'long-term vacant' (Liverpool City Council, 2012), both of which are higher than city averages and may partly be due to housing clearance, demolition, and stalled regeneration which has left streets of empty housing.



Granton Road, Everton (just outside the boundary of Anfield), July 2013

HMR was particularly controversial as community consultation exercises were criticised. HMR was governed at a sub-regional level by management boards consisting of elected members of local authorities, consultants, and representatives of private sector developments, but there was no representation of residents (Cole, 2012). As such, consultation processes were accused of being limited in their scope and influence, while HMR neighbourhoods were also divided in attitude according to the implications it would have for their personal circumstance (whether their home would be refurbished or subject to a compulsory purchase order and demolition).

This context is important, for the roots of the CLT lie in the legacy of HMR and the streets of empty homes and demolition sites left by the programme's termination, as well as the uncertainty and powerlessness felt by local people as new proposals for private-sector led regeneration continue to emerge, especially in relation to the redevelopment of the local football stadium (Anfield Spatial Regeneration Framework, 2014).

The Liverpool Biennial project, originally titled '2 Up 2 Down', involved a participatory design process with 40 young people in Anfield, encouraging them to express their ideas as to how local development of empty housing units could be undertaken. This was facilitated by Biennial and also involved local adults whose housing needs and desires were reflected in the design ideas, with a focus on encouraging people to work together as a community to improve their surroundings. The emphasis was on designing a positive alternative to the demolition and blight of the area created by HMR.

While it began as an art project, Homebaked CLT formed in 2011 to provide a vehicle for translating these ideas into action. This was partly in response to an opportunity for the CLT to acquire a community asset after the closure of a former Bakery in the area. Mitchell's Bakery had been a locally-owned business for several decades but closed due to it being put under a compulsory

purchase order during HMR. However, the termination of HMR meant that the future of the Bakery was in limbo, and the 2 Up 2 Down project reacted to this by taking a lease on the bakery (which was subsequently transferred to the CLT). The CLT has refurbished the Bakery and reopened this as a full-time community enterprise in 2013. It employs a manager and has provided a platform for volunteering and community engagement in the neighbourhood. The CLT received funding for their community activities and Bakery refurbishment from the Esmée Fairbairn Foundation, Liverpool Biennial and Arts Council England, as well as through an innovative crowd-sourcing funding scheme using Kickstarter.

The Bakery is positioned at the end of a row of terraced houses, with two empty flats above it. The participatory design process focused on new ideas for the terraced homes, but these are still subject to a compulsory purchase order by Liverpool City Council and are awaiting decisions about their future use and redevelopment. However, the CLT – with support from the City Council – received a grant from the Government’s Empty Homes Community Grants Programme to refurbish and bring back into use the flats above the Bakery.

The following sections present the findings of this study, discussing the contributions CLTs make to affordable housing provision and economic development, as well as exploring how CLTs go about consulting and engaging with local residents and the ways in which they overcome challenges through partnerships. In addition to the individual case studies, reference is made to issues of commonality and difference between these initiatives and the wider development of CLTs nationwide, informed by the findings of Phase 2 of the study.

4. Capturing land value for community housing initiatives

4.1 CLTs and the provision of local needs affordable housing for sale

As described in the case study descriptions, the rural CLTs featured in this research were primarily concerned with ensuring a suitable level of affordable housing provision for their communities. The villages in which these CLTs were based suffered from problems that affect many rural areas, including limited supplies of affordable housing and disparities between local house prices and incomes that prevent younger households from meeting their housing needs in rural locations. These issues were well documented by the Taylor Review of the rural economy in 2008, which argued that rural communities find themselves at a crossroads between becoming *“ever more exclusive enclaves for the wealthy and retired, or building the affordable homes to enable people who work in these communities to continue to live in them”* (Taylor, 2008: 3). Concerns over the social and economic sustainability of the rural case study communities provided a stimulus for the formation of CLTs, as described by a Lyvennet CLT board member:

I think that it's very similar to a lot of villages, in that there is an inadequacy of affordable housing, or any housing really. And that's quite a barrier for new people to move into the village. It's not just about the children of existing residents, it's about bringing new people into villages as well, that helps the sustainability. And the housing prior to the CLT was inadequate: we were losing residents, we weren't encouraging new residents coming in, and the planning restrictions were not encouraging landowners to build new houses (Board Member, Lyvennet Community Trust).

Similar views over the out-migration of younger residents were evident in Queen Camel, where a local community planning process undertaken in 2005 identified a range of social, economic and community concerns in the local area which could be traced to the lack of affordable housing:

Without some innovative, creative planning and development of some affordable housing, the age range of the village will continue to move up with a consequential effect on business, school, social and community events and services, and there may come a time

when there is no one locally to do any of the “service” type jobs that everyone needs, particularly as age increases (Queen Camel Community Plan, 2005: 26).

These concerns were principal drivers for the formation of local CLTs, as it was commonly felt that local people had been priced out of the housing market, with particular implications for younger people and families unable to raise sufficient deposits and obtain mortgages to purchase properties on the open market. Affordability was therefore central to the objectives of rural CLTs. This was reflected in the development of resale-restricted shared ownership properties which were available at rates significantly lower than the average price of open market properties in the area. However, the shared ownership properties built by Lyvennet CLT initially struggled to sell on this basis, and were subsequently made available on the open market (with local occupancy clauses still in place) at levels that remained lower than the average price of open market properties. While these sale prices were not as affordable as originally intended, they still helped to meet intermediate-level housing needs in the area, alongside the provision of homes at affordable rents.

Lyvennet Community Trust – cost of homes for rent and sale	
2 bed house for rent	£97.94 per week
3 bed house for rent	£110.28 per week
2 bed house for sale	£198,000
3 bed house for sale	£225,000

Table 3: Lyvennet Community Trust – cost of homes for rent and sale

It is possible that the remote location of the village restricted the interest in the shared ownership properties, but other CLTs have successfully delivered properties sold on terms distinctive from conventional shared ownership products, in that residents do not have to pay rent on the portion of equity that they did not personally own, therefore offering a lower-cost form of property ownership. In addition, affordability is preserved as residents of CLT homes are not permitted to ‘staircase’ to full freehold ownership, in line with national legislation in rural areas that prevents leasehold

enfranchisement. Affordability is therefore regulated through the CLT's retention of part of the equity, as well as through their ownership of land and restrictions on resale value, thereby limiting the extent to which residents can personally profit from increases in property value. In effect, residents trade the future opportunity to benefit from capital gains that may be realised through potential uplifts in property values, for more affordable forms of property ownership in areas in which they would otherwise be unlikely to afford to live in. This distinctive approach to ownership was welcomed by representatives of local authorities in rural and urban case study areas, who perceived a potential need for different models of housing delivery in the context of the housing crisis and difficulties faced by households seeking to buy a home:

I think this will sound a bit vague, but there is a view that the traditional model for getting into home ownership, for example, whereby you went to the bank, got a mortgage, had a little bit for a deposit and away you go. That is broken, in a way. That is not available any more for people than it would have been before. It may be about having a different model that provides opportunities for people that wouldn't be there otherwise.

Local Authority Official, Liverpool

CLTs are therefore perceived as something that can offer new forms and understandings of property ownership, as their provisions for lasting affordability – achieved through their ownership and control of land – can balance individual interests in wealth creation with collective interests in preserving affordable housing as a community asset. One board member of the Lyvennet CLT explained that their overriding objective was to *“provide low cost housing for the Parish, not necessarily for parishioners, but for the Parish in perpetuity.”*

However, it should be noted that some CLTs have encountered challenges in selling these properties, while others face challenges in ensuring lasting affordability. Firstly, as noted, one of the case studies faced difficulties in marketing shared ownership properties, which were eventually converted to low-cost open market homes (with local occupancy clauses in place). While there was no clear explanation for this, it is possible that the remoteness of the village in question restricted potential buyers. More generally, representatives of individual CLTs and national experts commented that cultural attitudes towards the rights and benefits of ownership may deter some buyers, who may be concerned at their inability to ‘staircase’ their lease and to benefit from future exchange values and investment potential of property. Personal desires to accumulate personal wealth through housing

may conflict with the objectives of CLTs, as their work is orientated towards a partial decommodification of property and an emphasis on the use value of permanently affordable homes in resolving housing needs and contributing to the social life of their local communities.

More broadly, in expert interviews it was highlighted that CLTs may face additional challenges in holding land out of the market and in using its value to provide affordable homes for successive generations of homeowners. One challenge in guaranteeing lasting affordability relates to the enfranchisement rights of residents of leasehold ownership. As described in the Leasehold Reform Act of 1967, enfranchisement rights permit leasehold owners to staircase their percentage of ownership and to buy the freehold of the property, therefore removing it from CLT ownership and preventing them from keeping homes affordable to those on lower incomes. This was not an issue for the rural CLTs, as villages of their size are listed as 'protected areas' and exempt from enfranchisement rights in order to retain affordability, but urban locations are subject to this legislation. Lobbying efforts led by the National CLT Network to exempt CLTs from leasehold enfranchisement have so far been unsuccessful and replication of CLT ownership models may therefore be difficult in urban areas due to the risk of leasehold enfranchisement. Urban CLTs elsewhere in the country have devised ways of getting around this legislation, for example by linking house prices and mortgages to local incomes rather than using conventional shared equity products, but there are so far in their infancy and previous research has indicated difficulties in ensuring the availability of mortgages from lenders (Community Finance Solutions, 2009).

4.1 Community-based homes for rent

In addition to providing affordable forms of homeownership, CLTs also develop homes for rent. While the choice of which type of housing to develop is closely modelled on the results of local housing needs surveys, as well as by the availability and conditions of different types of grant funding or loan finance, some CLT participants were expressly motivated to boost the supply of rental housing. Participants in rural areas often cited the impact historic policies such as the Right to Buy had on moving rental housing into private ownership, as well as the inadequacy of previous housing developments which had either failed to meet local needs or focused on the development of expensive housing to be sold on the open market.

The development of CLT rental housing was widely seen as important for three reasons. First, from the perspective of CLTs, it was recognised that ownership would not be suitable or desirable for all

people in housing need, especially during a period of economic austerity in which mortgages may be hard to obtain for many potential residents. A mix of housing was often required to meet a wide range of housing needs and income thresholds, as identified in their community planning and housing needs surveys.

Second, rental housing was seen as important in contributing to a balanced housing stock and therefore a more balanced community. One board member in Queen Camel commented that *“the village is reverting to being a bit too much of a retirement home and it needed more life, so that means new people or young people.”* This meant the development of housing that would be both affordable and suitable for the local needs and requirements identified in community planning processes, rather than being tied to providing a particular type or tenure of housing. CLTs do not have a particular tenure bias, as affirmed by another board member in Queen Camel who reflected on their key motivation for providing housing:

We did it, we produced the [community] plan, it was presented to the village. But one of the sections was planning and development of real estate and it was quite evident that the majority of the village didn't want any more market housing. Didn't see a need for it. They didn't want any more second homes to develop because that's what is likely to happen; people from London buy a second home. Nice people, but you know, it's not what we want. Our primary aim has always been to provide housing for local people, whether it's part ownership or rent, but for local people who can't afford the market rates (Board Member, Queen Camel CLT).

Third, the provision of rental housing by CLTs has been proven to meet important housing needs, including the housing of young families, single parents, and elderly households who would have otherwise been unable to live locally. Tenants spoke of the opportunity CLT homes had given them to return to an area with which they had close links, having often previously lived there, to live closer to services and amenities, or to move closer to networks of social and familial support. Crucially, tenants placed high value on the security of tenure found through their assured tenancy with the CLT. This was reflected by a resident of the Lyvennet CLT, who contrasted his family's residence in a CLT property with their previous living situation in private rented accommodation:

It does mean that in the short-term, my concerns in the short-term about having security of tenure are alleviated, because the other thing about being a tenant is you're never entirely

sure if your landlord is going to want to sell the property or just say “I’ve had enough of you, bye bye”, or whatever.

And the wonderful thing about these properties is that not only is this my property until I, provided I meet all the terms of the contract obviously, it’s my property until such a time as I decide I no longer want it. And in actual fact I’m even entitled in the contract to hand it onto my daughter after I no longer require the property (CLT Resident, Crosby Ravensworth).

This experience of a CLT home was echoed by other residents and contrasts with that of the private rented sector, where tenancy agreements are often short-term and unregulated and often create instability for tenants who have few rights to challenge increases in rent or termination of tenancies. Furthermore, the high value afforded to security of tenure is an important finding given recent reforms to social rented housing in the Localism and Welfare Reforms Acts of 2012, whereby the security of tenure for tenants has been weakened. CLTs counter these trends, offering affordable and secure housing for their residents. Rents for CLT homes in this study were pegged at 80% of market rates, in line with the conditions of accepting grant from the HCA.

4.2 Providing security of tenure and meeting local needs

The principle of security of tenure was recognised not only by tenants of CLT homes but by local residents and CLT board members in all three case studies. Participants in each area spoke of housing as a form of community asset, as its ownership by the CLT and the idea of permanent affordability would promote the right of local households to live and remain in the area, therefore helping to sustain the community and its local services in the future. This was particularly highlighted in the case of Homebaked in Anfield, where decision-making over the demolition, redevelopment, and use of local housing as part of large-scale regeneration had displaced local residents from their community and contributed to the physical deterioration of the neighbourhood. A board member of Homebaked, who was also a local resident, spoke passionately about the importance of local ownership to the CLT’s work in serving and supporting their local area:

We want to have affordable housing that is kept within the community so that nobody can come along and say “you’re out” type thing because there’s so many different agencies involved in the housing within this area and that has been part of the problem really, I suppose in that it’s not just one person that you speak to, there’s a whole raft of them.

You've got the council, you've got the different housing associations, you've got private landlords, you've got owners of the properties, I mean it's not easy (Local Resident Board Member, Homebaked CLT).

This quotation reflects on the objectives of Homebaked rather than on completed housing renovation or development, as at the time of publication the CLT's housing plans were still at an early stage. Indeed, although they had obtained funding with local authority support to renovate two empty homes above the Bakery, they had been unable to convince the City Council to also release empty properties adjacent to the Bakery as these were still being considered for private sector redevelopment. Homebaked were also confronted by the possibility of the Bakery being earmarked for demolition even after it had opened, though this has since been resolved through negotiations. This highlights the difficulties community-led initiatives face in competitive processes of accessing resources and land, particularly where potential uplifts in land value are high.

Nevertheless, the emphasis was not solely focused on the delivery and affordability of affordable housing, but on creating a structure of collective ownership that preserves access to housing for local residents and supports their right to occupy urban space. Furthermore, through ownership of land and assets and a membership base consisting of local residents, CLTs offer a platform that strengthens the ability of residents to influence local planning and development processes. This was especially the case in Anfield, as previous regeneration programmes had historically changed and continued to shape the local neighbourhood in ways which did not always have the support of the wider community. Section 6 reflects on the role of CLTs in promoting influence and supporting the voice of local residents.

Along with desires for collective ownership and the pursuit of affordability, a key motivator for CLTs is to first and foremost meet local needs. CLT homes are allocated or sold in relation to a number of points-based criteria. In addition to their inability to buy or rent a home on the open market, prospective residents are awarded points in relation to housing need (as defined by local authorities, for example by being defined as statutorily homeless), employment in the local area, community contribution (for example, involvement in local voluntary associations) and local connection to the area defined by personal residency (current or previous) or family links to the locality. Allocation policies differ between CLTs and are agreed with local authorities, but in rural areas local connection is usually accorded the most weight after residents are proven to be unable to afford or access local housing from other sources. An order of preference in terms of connection is usually established,

beginning with the villages and surrounding villages and then cascading out to include people in the wider regional area until homes are filled.

These policies are usually justified on the principle that communities are able to mobilise local knowledge regarding their local needs in partnership with local authorities and housing associations, rather than passively having their needs met by these bodies. For instance, while the allocation policies of other providers may sometimes operate on a sub-regional basis, CLT allocation policies do not simply accord weight to local connection but also to relationships within and between surrounding communities, such as ensuring that the cascade in allocations reflects geographies such as school catchment areas and therefore supports the wider social goals and reasoning for creating a CLT in the first place. While allocation policies that prioritise local connections (to varying degrees) are not uncommon in social housing allocations, with CLTs they act as a mechanism through which local attachment is harnessed and encouraged. This reflects the narratives of place and identity that CLTs organise around in order to identify and meet their locally-defined objectives, though it should also be acknowledged that the way CLT homes are accessed may limit and exclude people who are unable to demonstrate the requisite links and connections to the local area.

This section has described the way in which CLTs can offer housing that meets local needs and offers residents security and affordability. Community-owned affordable housing provision is seen as important in supporting the wider well-being of the community and the viability of its services and amenities, though there may be issues as to how best this can be replicated in urban areas due to issues over leasehold enfranchisement. While one of the case studies – Homebaked - had not refurbished and let its housing and their plans were still in progress, the following section illustrates how their activities in taking control of other community amenities such as the Bakery have supported many of the core objectives associated with CLTs and described in this report.

KEY FINDINGS

- Community land trusts are effective developers of homes with lasting affordability built into their resale restrictions, meeting key housing needs unmet by other providers in their area.
- They offer security, stability and affordability to tenants, providing access to housing previously unavailable.
- CLTs are built around narratives of place and identity that account for local connections, personal circumstances, and community contribution in the allocation of homes.

- There are challenges in maintaining lasting affordability, particularly in relation to legislation around leasehold enfranchisement that apply to urban CLTs.

5. Beyond housing: the contribution of CLTs to local economic development

Advocates of locally-based asset ownership argue that it can yield significant benefits for geographic communities, posing it as *“a key element in a community’s long-term ability to set the pace of its own development, ensure long-term social benefits from the enterprises in the community’s region, and maintain resilience against shocks”* (Varghese *et al.*, 2006: 506). Local ownership of assets through community-based and non-profit structures may help create a framework for the economic development of a community, allowing income to be localised and used for the benefit of a community’s constituents (Moore and McKee, 2014a). While not dismissing the impact of national and international economic decisions that impact on communities, Imbroscio (2014: 17) highlights that *“when ownership is widespread, equity can result from the workings of economic processes directly, as profits are captured by a broad segment of the population”*. The idea is not that this alone can resolve social problems such as poverty and inequity, as clearly the levels and rates of economic processes differ in areas according to prosperity, but that this can recycle income generated for local development and assets at the local scale.

The initial motivations and impetus for CLTs usually relate to the resolution of local housing issues, but it is also clear that many CLTs, as asset-owning community-based bodies with a future income stream, are or will become involved in local economic processes over a long-term period. In some instances, this is an explicit objective, as shown by Homebaked CLT’s ownership of a local disused bakery. One local resident argued that the community in Anfield had been confronted with the loss of local businesses that had occurred in parallel with the physical decline of the neighbourhood: *“We have lost all of the, what you might say, the kind of businesses that support a community. We have lost it all, there is no butchers, there’s no whatever.”* The CLT’s takeover of the bakery therefore offered the opportunity to bring a local business back into use, as well as to generate income for local reinvestment if the business was profitable. As one board member commented, the CLT was attracted by the idea of creating an enterprise that simultaneously provides a service for people and contributes to the local economy for community benefit:

We want to do work with the local schools, we want to be able to do outreach to care homes to people who are housebound, to be able to take bread to them, the whole aspect of ‘it’s a

community, it's not just a business.' We have got to make it work, but there is no profit, we are not in it to make profit, we are in it to put it back into the community land trust and the bakery to see what we can do in the community, because this community has been ... it's such a shame that it has been destroyed so much. We are left isolated really and it shouldn't be because that's not what Liverpool terraced streets are. In the past they have been absolute hubs of everything. So that's hopefully what will become of it all (CLT Resident Board Member, Homebaked CLT).

It should be noted that these are long-term ambitions and not immediately measurable given the relatively recent takeover of the bakery. However, the Homebaked Bakery is open and trading having been brought back into use after a period of closure, providing a platform for ongoing community-based economic activity. It has also provided opportunities for personal skill development and volunteering to local residents, as described in Section 6.



Homebaked Bakery, July 2014

CLTs may also become involved in the local economy even where the creation or takeover of other community amenities are not central to their original reasons for forming. By creating an asset-owning community-based body led by local people, CLTs become well placed to capitalise on new

opportunities when local facilities are threatened or closed. When the village pub in Crosby Ravensworth closed in 2010, board members of the Lyvennet CLT set up a separate legal company in order to reopen the pub as a community enterprise. This company raised £300,000 through a community share issue, attracting investment both from within the local community and from outside, and reopened in August 2011 following a community-led refurbishment which included over 4,000 hours of labour volunteered from within the local community. The pub has now become a community hub, providing a venue for social gatherings and community events. Economically, in its second year of trading it reported a turnover 60% higher than original targets and returned a divided payment of 3% to its community shareholders.

One board member argued that the success of this scheme and the buy-in from the wider community was due to the existing dialogue that had been established through the consultation, engagement and debate that had been undertaken in the planning of their housing development. The CLT had undertaken extensive community engagement processes and had therefore won the trust and support of local residents and other organisations. While CLTs may initially be confronted by challenges of local legitimacy and representation, given their position as new and relatively unknown entities, once their status and role has been established they become recognised bodies and able to pursue other ventures in partnership with the community they serve. Furthermore, the CLT board members themselves reported higher degrees of confidence and knowledge when it came to acquiring other assets, in comparison to their relative inexperience when they originally formed to provide housing. Although a separate legal company was formed to take on the pub, the success of this form of local ownership shows the benefit of having an existing community-based body experienced in asset ownership ready to step in should key services or amenities be threatened.

It should be noted that the Lyvennet scheme benefited from a great degree of philosophical support and publicity via their local MP, in addition to a significant amount of community leadership and volunteering on the part of board members who were willing and able to give up time to resolve the technicalities of managing and progressing a community enterprise. There are also challenges in relation to the skills of volunteers: legal understanding, company incorporation and management, accountancy, secretarial duties and communications are just some of the skills required in the development of CLTs and similar asset-owning bodies. Other CLTs were wary of pursuing the acquisition of other community amenities beyond housing, highlighting concerns over the risks and costs of asset control, particularly where the assets had previously been unprofitable. This highlights that community ownership is not in itself a panacea to the challenges faced by some assets; despite their non-profit ethos and approach to community, these organisations still need to adopt a businesslike approach when considering asset ownership in order to avoid assets becoming liabilities.

CLTs may also not be in a position to immediately pursue ownership of assets other than housing, particularly in their formative years. The CLT in Queen Camel illustrates this, as their objective was to provide affordable housing in the immediate future, which encouraged their partnership with a housing association as a way of expediting the process. Having been in existence for three years and advanced their plans for housing development, the closure of the village pub presented the CLT with an opportunity to purchase the asset which, at the time of writing, is under exploration. This

highlights the way in which the CLT structure allows communities to respond to new opportunities in their communities, even if ownership of other assets is not their priority at the outset of their plans:

I think you've got to decide whether you want to be running a community business or whether your end game is providing certain facilities for the community. And our end game was providing the affordable housing and we wanted it now, almost. The point is, if there's a situation where a local facility is closing down, we've now got a structure that would allow us to react fairly quickly, but that doesn't mean we should go looking to do something (Board Member, Queen Camel CLT).

In addition to ownership of other assets, the core business of CLTs in owning land and providing housing should produce economic gains in the long-term. Income streams may be realised through the CLT's ownership of rental housing or leasing of land, which enable them to reinvest in the community. Each case study in this research described this potential income stream and their intentions to use it for community benefit, though it is currently too early to assess their use of this as they have not yet been realised due to the early stage of their scheme or due to outstanding debts that require payment.

It is clear that the development of wider community enterprise is bound up with the actual existence of opportunities and the current status of local facilities, which are in turn likely to influence the goals and scope of individual CLTs. It is also clear that it demands significant amounts of time and skill, usually from unpaid volunteers who may not exist in every community. The impact and effects of both CLTs and other community enterprises are therefore likely to vary from case to case, and from area to area. However, these cases also show us that asset ownership by CLTs can contribute to the economic development and revitalisation of local communities, helping to achieve an economic settlement which enables them to gain and control amenities and resources for the benefit of local citizens. As the following section discusses, the ownership of assets also offers opportunities for resident and community engagement in addition to economic benefits.

KEY FINDINGS

- Community land trusts are well placed to capitalise on opportunities for local economic development when facilities or amenities are threatened or closed.
- CLTs gain confidence and knowledge through completion of existing projects, equipping themselves with experience and skills in the acquisition and development of assets.

- The CLT structure of collective ownership can capture revenue from local economic processes to reinvest in their area of benefit, securing an economic settlement that may be of future benefit to local residents.

6. Consultation, participation and empowerment

As their title suggests, the concept of 'community' is core to CLTs, and typically refers to communities of place rather than communities of interest. A strong emphasis is placed on community control, ownership and leadership in the design, delivery and ongoing management of CLTs, illustrated by guidance provided by the National CLT Network:

People who live and work in the defined local community, including occupiers of the properties that the CLT owns, must have the opportunity to become members of the CLT. The CLT should actively engage members of the community in its work and ensure that they remain engaged in the development and operation of the CLT (National CLT Network, 2013b: 9).

This stress on open democratic governance structures is illustrative of an underlying philosophy of CLTs; that as they focus on tangible issues that impact the immediate environment of local residents, those same residents should be given opportunities to shape and influence decisions as to the development and scope of the CLT's work. While there are challenges in board recruitment and leadership, in part due to the need for volunteers to contribute substantial amounts of time and skill, this section illustrates that community action supported by CLTs extends beyond their governance structures and encourages a diverse range of activities that support local decision-making and alternative forms of participatory democratic expression in their communities.

6.1 Consultation and engagement in rural communities

The emergence of both rural CLTs in this study can be traced to local community plans and housing needs surveys undertaken in the mid-2000s. To identify rural housing needs, the local population is surveyed by a specialist independent organisation. The survey seeks to identify the extent to which the area's housing stock is prepared to meet existing and predicted future housing needs, based on current concerns and future population predictions, as well as its suitability and appropriateness for the sustainability of local businesses, services, and amenities.

Community plans take a wider approach, surveying the local population on all aspects of the area's social and economic concerns. Successive UK governments have given their support to community planning exercises, the latest incarnation of which is the current government's push towards neighbourhood planning as part of their localism agenda. These exercises seek to connect communities to the local planning system and aim to develop the attitude that local planning is *"more than the activity of a few professionals, but rather a shared endeavour facilitated, rather than delivered, by local government"* (Gallent, 2013: 375), with the intention that plans led and shaped by local communities will identify local social and economic concerns coupled with specific actions to address them.

The communities in Crosby Ravensworth¹ and Queen Camel had both undertaken extensive community planning exercises involving their local parish and district councils. These exercises included surveys of the local population, community consultation events, steering group meetings, and feedback sessions to local residents. In both instances several issues were identified that are typical of many rural areas, including an ageing population, concerns over community services and amenities, and the ongoing viability of local voluntary associations. Many of these concerns could be traced to the lack of affordable housing development which prevented younger people moving into the villages. This was supported by the evidence of the local housing needs surveys, which in both areas meant that new affordable housing became a top priority for the local community.

From these planning exercises, both communities formed steering groups composed of volunteers in order to explore possible solutions to the problem of affordable housing, including where new housing could be built and who could build it, and whether this would involve housing associations, private sector agencies, or community-led options. Each steering group became aware of the concept of CLTs through engagement with their local intermediary, with the decision to progress community-led delivery seen as preferable to engaging an external agency to deliver new local housing. This preference was largely motivated by the greater emphasis on community leadership and engagement within the CLT model, as well as the opportunity for CLTs to have a greater influence on the allocation and use of local homes through their ownership of land. This led to the formation of both the Lyvennet CLT and Queen Camel CLT as natural developments of the housing steering groups, with their boards initially composed of members of these groups. By forming CLTs,

¹ Crosby Ravensworth was part of the wider Lyvennet Community Plan Group, made up of communities from four local villages.

they also became independent of parish councils and other local organisations involved in the initial community planning.

While the knowledge gained through the community planning processes led to the creation of both CLTs, it was still necessary for each organisation to undertake their own forms of community engagement and planning in order to legitimise their plans for local development. This was particularly important given that rural housing development can often be adversarial and opposed by local people. Research has found that communities often oppose new rural housing even where evidence of need exists, due to concerns over the location of new developments, insufficient information about their risks and benefits, desires to protect rural landscapes, and ‘democratic deficits’ where community involvement in decision-making is limited (Sturzaker, 2011).

However, in both circumstances very little opposition was reported to the CLT schemes. While the Lyvennet CLT looked at various locations for the housing, an obvious brownfield development opportunity was identified on the site of an old stoneworks plant. As this site housed existing buildings that were disused, its selection did not encounter significant community opposition. The CLT still undertook extensive community engagement and communication, keeping local residents on board with regular public meetings, articles in parish magazines, and fundraising activities. Additionally, while it did not relate to the housing development, the opportunity to bring the local pub back into use offered local people to become stakeholders in a community project by purchasing community shares, as well as the voluntary labour that went into its refurbishment. Local residents commented that the formation of the CLT, as a result of the community plan, had given a platform for local people to mobilise around shared issues and concerns. This was echoed by a representative of the regional CLT intermediary in the area, who saw the CLT as a vehicle to continue the community engagement and influence that originated with the community plan:

Interviewer: What would be the advantages of a CLT in Crosby Ravensworth? Is there anything other than what we’ve discussed or anything other than the obvious of community affordable housing?

CLT Intermediary Representative: Well, it’s empowerment of the community. They’re a brilliant community anyway, and naturally skilled at getting everybody to work together. Because they’d done the community plan they looked at their future to say “right, what do we want to be like in 10 or 20 years’ time, what are the factors, what are the trends, what’s

affecting our community, how can we influence these things, how can we change things for the better?" Setting up a trust to provide housing led to rescuing their pub, and doing practical work together to renovate it, and now they're looking at other projects. So community land trusts bring people together and provide a vehicle to help shape their future.

Similar methods of community engagement were evident in Queen Camel, as the CLT sought to fully involve local residents in the process of deciding over the location of the new housing. The CLT's development coincided with the village's selection as a neighbourhood planning frontrunner, though the plans for housing both predate and are independent of the design and delivery of the forthcoming neighbourhood plan. The CLT involved local residents in the selection of a development site using not only conventional methods of engagement such as public meetings and consultations, but interactive techniques of collaboration including the use of a scale model of the village to help illustrate the location and effect of potential changes to the built environment.



Queen Camel 'Planning for Real' (Credit: Steve Watson, Wessex CLT)

Local residents were asked to place flags to mark their preferred location for the housing development, helping to democratically inform the CLT's decision as to which site to pursue subject to the availability of land and compliance with planning restrictions. This process of community deliberation helped not only to inform the CLT but to strengthen its legitimacy, both in the eyes of local people and of local councils who could see that the CLT's

work was underpinned by tangible democratic processes:

But the communication element of the CLT has been absolutely extraordinary. They have almost had too many open meetings, you could say. They have had meetings where they have had very little to report but they front up to the community and they will say where they have got to and there has been a very open process. I would suggest there can't be very many people in Queen Camel who don't know there was a housing scheme on the horizon. I think that is often an issue, where there is an element of "it will never happen so let's not

worry about it”, and then it doesn’t and one or two people get a bit jumpy about it. But the resistance to the housing was very low-level (Official, South Somerset District Council).

It should be noted that in theory there is nothing exclusive about this activity to CLTs. These techniques could just as easily be employed by a housing association that wished to undertake in-depth consultation with a local community. However, local authority officials in case study areas commented that the comparative advantage of CLTs lay in the way that local residents related to the housing scheme in a subjective way, as the principles of community leadership and deliberation engrained into CLT constitutions meant that residents were able to influence project sponsors to a greater extent. CLTs that claim the tag of ‘community’ in their title are also committed to bringing local residents together to progress projects that are set up for community benefit. For instance, one official contrasted the in-depth levels of CLT engagement with what could be interpreted as a more shallow approach of relying solely on elected representatives, such as a parish council, to express local opinion on planning issues:

I think I have come round to the view now that there is something about how you get everybody signed up, how you get the whole community, not just the enlightened part of the parish council or that part of the parish council that wants to do good. It’s not just those people that you are getting on board, you are actually engaging with the entire community (Official, South Somerset District Council).

It should also be noted that the democratic credentials of CLTs, and the community-led planning informing their work, were facilitated and enabled by local authorities. Previous studies have shown that there can often be tensions between the very local concerns of communities and the broader spatial planning strategies and orthodoxies of local authorities (Gallent and Robinson, 2012). These were not overtly evident in this study, as each of the rural district councils had reputations for supporting community action, illustrated by their selections as neighbourhood planning frontrunners.² Officer time in each case study was dedicated to community-based planning processes, including attendance at public meetings, regular consultation with CLTs (and other community planning stakeholders at local level), and input into site selection and planning applications. Links were also strengthened through the CLT’s internal resources; in one case study area a former district councillor was on the CLT board, which helped to establish communication

² Eden District Council participated in the neighbourhood planning frontrunner scheme, though unlike in South Somerset this did not directly relate to the village in which the CLT under discussion was based.

links and engage local authorities in the CLT's plans. Intermediary organisations were also important actors at the interface between communities and local authorities, as they helped to bring together the local concerns of CLTs with the formal policy processes and responsibilities of local authorities. This is detailed further in Section 7. While CLTs are important mechanisms for local democratic influence and participation, the role of local authorities in enabling this should not be dismissed, as without this support – both economic and philosophical – the CLTs in question may have encountered greater difficulties in advancing their plans.

These findings are significant as low levels of opposition to housing were evident in both case study locations, with the processes of engagement and opportunities for participation in CLT structures cited as important reasons for this by local residents and local authority officials. The rural CLTs were effective in establishing a meaningful dialogue with their local communities, continuing work begun by the wider community planning processes and engaging residents in determining and influencing the future of their neighbourhoods. This supports evidence gathered in previous research suggesting that community empowerment in rural housing development can reduce local resistance and opposition (Sturzaker, 2011). This is especially the case where communities are able to claim ownership of the planning, design, delivery, allocation, and ongoing use of housing, as is the case with CLTs.

6.2 Empowerment and participation through urban CLTs

The importance of community engagement was also highlighted in Anfield, where Homebaked CLT placed a significant emphasis on participatory processes that provided local residents with opportunities to influence local development. Here, the emphasis on community engagement and participation reflected not only the constitutional commitments of CLTs to involve local residents, but also the previous disempowerment local people felt during HMR. The longstanding concerns that local residents held as to the design and implementation of HMR were clear in interviews and site visits to the local area. Residents criticised not only the unpopular disruption and displacement caused by demolition, but the process by which this was decided. Interviewees raised concerns that the ownership, interest and benefit from HMR lay with stakeholders external to the local community – social landlords, contractors, and 'new' residents to the area – rather than with local people themselves, and it was this feeling that provided a stimulus for a community-led approach.

Compared to the other CLTs in this study, Homebaked is unique in that its community activity was originally stimulated by an outside agency: Liverpool Biennial. This is an important issue, as it shows the importance of well-resourced community facilitation by external agencies in opening up new opportunities for local residents. CLTs do not emerge solely at the local scale but through partnership and knowledge exchange between supportive intermediary organisations and local communities. Previous research shows that these intermediary organisations can play a crucial role in providing professional expertise to volunteers, support with technical tasks, and in liaising between communities and external agencies such as funders and local authorities (Moore and Mullins, 2013).

This external support does not negate the importance of the community-led approach in forming and developing a CLT in Anfield. This began with the participatory design process, stimulated by the Biennial as described in the case study descriptions, involving 40 young people in expressing their ideas and views as to how their neighbourhood may develop. This was undertaken in collaboration with local residents – the potential ‘end users’ – of the refurbished ‘2 up 2 down’ terraced houses, thus bringing together and engaging different segments of the community in design workshops and modelling techniques to express design ideas. This design process won the National CLT Network’s award for community engagement in 2012.

It was during the design process that the CLT was formed to refurbish and reopen the Bakery as a community enterprise, in addition to pursuing the group’s housing objectives. The Bakery became a project base and social space for use by local residents. Public engagement events were held using expert speakers, including CLT enablers and intermediaries, which supported local residents in gaining knowledge and confidence to manage a CLT. One board member commented on the opportunities opened up through the design process and subsequent management of the CLT, describing her gradual progression to becoming a board member:

It was something that was important to me, to a) get involved in the community and b) that it was also something that I saw that I could have an influence on as opposed to being totally ... I have no influence on what’s happening in the area where I live, in my house and whatever, although there have been numerous consultations, so that’s how I got involved and then it really just went on from there, it rolled on from just going on a Tuesday to then being part of a small group of people who were involved to being asked would I go on the

CLT board. Ok, yes ok, would I be a signatory, ok, yes, would I be a director, yes ok and then you sort of think "oh God" (Local Resident and Board Member, Homebaked CLT).

This highlights the way in which CLTs can open new opportunities for people to have an influence in their local area, particularly in the context of the perceived democratic deficit of previous consultations over regeneration schemes. In the eyes of local residents, the formation of a CLT and ownership of a local asset conferred power to them in decision-making, as summarised by one board member:

Interviewer: What do you see as the advantages of the CLT model, I know it's not yet fully formed, it's still developing, but what are the attractions of a CLT for Anfield?

Local Resident: Ownership, so a real say in something. Because they talk a lot about, you know, nowadays there's a whole new round of consultation that comes in and you're going to have a say in this, but if you don't make someone an equal partner of it and they have a say, it's just bluff, nothing else. It's "oh no, you can say whatever you want but what I say is going". So I guess it is about ownership. About ownership of land and therefore power, which doesn't mean that people make better decisions but I'd wonder if you have a smaller group of people, at least they can check up on each other, do you know what I mean? It's that simple I think.

For local residents in Anfield, the attraction of forming a CLT was not only to provide housing, own assets, or contribute to the local economy, but also to ensure that decisions over their organisation belonged to them. It offered a platform for community activism and alternative democratic expressions by people that previously felt excluded from decision-making processes. The achievements of the CLT in harnessing the empowerment and participation of local residents in the design of the CLT's plans and its organisational direction were clear in interviews with both board members and local residents who were not directly involved in CLT governance. Residents spoke of the positivity the CLT had injected into the neighbourhood after its physical decline and of the symbolism of the local Bakery, which had for so long been a locally-owned business, being resurrected and taken into collective ownership. In a similar way to the participatory planning processes of rural CLTs, the CLT's ownership of the Bakery and associated design processes enabled a diverse range of people to get involved in the CLT. A local CLT enabler summarised the innovative approach to community engagement undertaken by Homebaked (and in partnership with Biennial),

whereby people were invited to volunteer in bread baking classes, reading groups, or other activities hosted at the Bakery which brought people together in informal situations, developed trust, and encouraged them to voice their views and opinions on local development processes:

The other thing about Homebaked which is a complete lesson for all of the CLTs is people don't necessarily want to get involved in a housing project or run a community organisation but they might want to bake bread and that is just an amazing lever to get people in. That was a bit of a kind of a lesson for me really the way to get people involved might not be that direct "do you want to be part of the CLT" it might be a bit more obtuse, it might be a let's bake bread, let's, I don't know start a football team, they might kind of start in different ways.

It should be noted that CLTs do not claim they are exclusively representative of community views. All three case study CLTs acknowledged the limitations of their approach, particularly due to difficulties in persuading people to participate in the day-to-day governance of their organisations. Additionally there may be complex political geographies that impinge on claims to representation, as in Homebaked where the community of place is not as well defined as an isolated rural village. Here, CLT representatives were careful not to claim they were representative of the wider community, and instead positioned themselves as one potential vehicle for people to get involved in local issues should they choose to do so. Nevertheless, the approach to community engagement and participation in Anfield received extensive press coverage extending beyond the local area, reflecting both the accomplishments of local people and the value of having Biennial as a supporting organisation which was able to help communicate the scheme's successes. In particular, the use of more informal mechanisms of participation enabled a diverse range of people to become involved in the scheme and to contribute to their plans.

KEY FINDINGS

- Community land trusts place a strong emphasis on community control, ownership and leadership in the design, delivery and management of their homes and assets.
- The commitment community land trusts have to in-depth and ongoing community engagement can help overcome opposition to affordable housing development in rural locations.
- Community land trusts can be a catalyst for community activism, providing a vehicle for local democratic decision-making that involves a diverse range of people previously excluded from such processes.

7. Overcoming challenges through public and third sector partnerships

7.1 The challenge of community capacity and development of human capital

While CLTs place a large emphasis on their involvement in and engagement with their local communities, their direction and development is still reliant on the formation and sustainment of a governing board. When registering as legal entities, it is necessary for CLTs to have designated officer roles (for instance, Chair, Secretary and Treasurer), and for board members to assume different responsibilities within the organisation. These responsibilities include liaising with partnering organisations or funding, sourcing and applying for funding, accountancy, compliance with different legalities, regulation and legislation, all while fulfilling their commitments to community involvement. There is therefore a significant amount of time, skill and knowledge required for CLTs to develop.

Previous research has shown that people with higher educational qualifications, who are in managerial and professional occupations, and have long-term residency in an area are more likely to be involved in formal types of civic engagement, including involvement in community organisations (Mohan and Bulloch, 2012). Each rural case study was able to draw upon people with these characteristics who lived locally and were happy to contribute specialist expertise by joining the CLT board. Boards were composed of people who either lived in the local area or had links, though not all were locally-born and many had moved to the area from elsewhere. Key skills available to these CLTs included project management experience, accountancy, legal skills, and prior experience of working in managerial roles in the public sector. This is significant, as prior knowledge of how processes in funding, legislation and decision-making work can help CLTs expedite their development. CLTs with these internal skills can also benefit from pro bono work by their board members who contribute their expertise. The way in which rural CLTs can draw on internal resources was described by a local authority official:

But building on what you've got, identifying the skills within the community because that has been the real success of the CLT and they have brought in people who have got an interest, not builders, but who have some practical skills as well, it's a project that does attract people who have more practical skills, to get someone involved in the community plan, and thinking about the future in 20 years time, is not that attractive to a lot of people who just want to get on and do stuff, whereas this provides them with a bit of both, really (Official, South Somerset District Council).

This quotation also highlights a challenge for CLTs, in that while they may be able to draw on internal human resources, it can also be difficult to recruit people to volunteer as board members. Both rural CLTs emphasised that engaging local people in the governance of the organisation was not always easy, and in one case the composition of the board had not changed since its formation due to a lack of interest within the community in adopting formal roles. This did not negate the clear support and engagement that CLTs had received throughout planning processes, and the situation was thought to be due to a reticence among other members of the community to formally commit to significant responsibilities due to constraints of time, skill and interest in the practicalities of managing a housing organisation and commissioning development. However, this does indicate a reliance of CLTs on key individuals, and there is a risk that the concentration of knowledge within these individuals may affect future succession planning as and when CLT board members step down.

CLTs attempt to overcome this reliance in different ways. Their commitment to extensive community consultation ensures that CLTs do not position themselves as arbitrators over local issues or as sovereign bodies within their community, helping to counter any potential questions as to their legitimacy in the eyes of local people. The key finding here is that involvement in CLTs often extends beyond the formality of governance structures. CLTs offer opportunities for people to influence planning and development processes that affect them, whether it is by becoming members of the CLT or by participating in the consultation exercises that form the backbone of CLT plans.

Some CLTs have attempted to strengthen the skills of their board by appointing individuals with specialist expertise from outside their community. This was reflected in Homebaked's governance structure, where a tripartite board was composed of local community members, Biennial representatives, and professionals who had been approached to volunteer their time and expertise to their plans. The latter group usually joined on the basis of personal interest and/or through networks such as the Biennial, and included former housing professionals, architecture skills, and

project management. While their contributions and expertise were important in ensuring the technicalities of Homebaked's housing plans and ownership of the Bakery were addressed, there remained a strong emphasis on decision-making being directed and led by local residents through the alternative mechanisms of participation, engagement and leadership created in the organisation's day-to-day work.

Furthermore, residents spoke of their increased confidence and capacity in running and operating the organisation, with an expectation that eventually this would lead to greater community leadership within the formal governance structure as the role of Biennial scaled back. Confidence was gained through the participatory design and arts processes, the volunteering in the Bakery, and the personal development of many individuals who assumed responsibility for organising the day-to-day activities, such as volunteer co-ordination and development of the Bakery as a community enterprise. This was also highlighted in rural case studies, as the process of forming and managing a CLT also involved personal development of skill and expertise for individual board members, as described by a local authority official in Somerset:

The unique bit of it is that you are left with an organisation locally with some capacity and knowledge and understanding of the whole process of land and land purchase and design and build. The skills that are left in the community are extraordinary, you've got volunteers around the table whom when they first met, didn't have a clue about it and are now negotiating with architects, just through the process of being involved with stuff and through understanding planning.

Nevertheless, even where CLT volunteers are able to improve their own skills and enhance their organisational capacity through learning and personal development, CLTs are still reliant on accessing other forms of support to expedite their activities and meet their objectives. This usually involves working with dedicated CLT intermediary organisations or individual enablers and partnerships with local housing associations to varying levels of formality.

7.2 The role of CLT intermediaries

CLTs also strengthen the technical skills available to them through the provision of support provided by external intermediary agencies, including dedicated organisations created to help CLTs, individual consultants and enablers, and other agencies such as the Biennial in Liverpool. Intermediaries tend

to operate at regional or sub-regional levels, though in the case of Biennial their support was dedicated to a particular CLT given the nature of the project.

In rural areas CLT intermediaries have been involved in providing bespoke technical advice and guidance to groups in relation to tasks that demand specialist expertise and knowledge, including advice on organisational creation, compliance with regulation and policies, tendering for professional support, and advice on processes of housing development and planning permission. Intermediaries also perform a bridging role, helping to connect local groups with the appropriate officials and departments in local authorities or by brokering partnerships on behalf of CLTs whilst retaining proximity and commitment to the community-based self-help activities of CLTs. Intermediaries were important sources of support for CLTs, as assistance with the processes of housing development was essential even where CLT boards were composed of those from professional backgrounds. One board member summarised their CLT's experience of the sub-regional enabler in Somerset:

Without them we wouldn't have the CLT – I don't think we would be where we are. I think it would've been a really difficult slog. They were the advisors and the guiders. They haven't made any of our decisions. They may have steered us on occasion, but honestly they've been great. We wouldn't be where we are.

This is an important finding as it illustrates that CLTs do not simply emerge in a vacuum; rather they draw on support mechanisms from outside their democratic governance structures and at scales beyond the level of their geographic community to help shape and progress their plans. This was especially the case with Homebaked as the Biennial played a significant role in helping to stimulate the project through the participatory arts project and design process, where a lot of time was invested into gathering people around the CLT concept and encouraging them to contribute ideas to resolving local issues. Additionally, participants highlighted that the Biennial's brand name helped attach credibility to the project and to attract funding to support its development. Specialist support in relation to housing was also provided by individual enablers on consultancy and pro bono basis and cited as vitally important in continuing to progress their housing plans.

The involvement of Biennial as an intermediary was unconventional in the sense that they are primarily an arts organisation that commissions public artworks and cultural displays. Their original involvement was related to this mission, in that they supported local residents with design ideas,

and then stayed with the community group as it became clear that it would develop into an organisational model of collective ownership. A representative commented that their involvement stemmed from a desire to support a previously dispossessed community that felt their voice had not been heard in previous regeneration schemes: *“this is about people with capacity sharing it with those who don’t, this is a social justice issue and that are why we as an arts organisation are involved with it.”*

This philosophy was shared by the intermediaries interviewed in this study, though the type and level of support that is available varies around the country. CLT intermediary organisations often have different areas of expertise or specialist knowledge of particular areas, and crucially the services they offer to communities may reflect locally-specific circumstances, organisational relationships, and the dynamics and history of local housing markets. The advice offered by one CLT enabler in Liverpool, where the refurbishment of empty homes and regeneration of the community may be a priority, differs from that which is required to progress rural housing development, in respect to planning legislation, community work, and funding streams.

CLT intermediaries were also important sources of support for local authorities to draw upon. Firstly, their professional expertise provided comfort to local authorities who were supportive of CLTs but may have had initial doubts over the capabilities of a new organisation. The knowledge that technical support and expertise was readily accessible by CLTs helped to attach credibility to them in the eyes of local authorities, who may have required reassurance given CLTs usually emerge as new organisations with no previous experience of housing. Secondly, local authorities drew upon the specialist expertise intermediaries have in facilitating CLTs, helping to provide bespoke guidance to ensure the CLT concept and its strategic direction complement local authority policies, priorities and concerns. One local authority official described the value of this:

Local Authority Official: They are the specialists. We have got so many other things on and we are generic in our area teams, and our planners have got the capacity to deal with the planning element but there isn’t somebody to facilitate affordable housing in this sort of way, in the setup of CLTs.

Interviewer: Kind of joining the dots between the different planning and community development aspects?

Local Authority Official: Yes, and providing some of the strategic stuff so they know where the government policy is, how it is filtering down and how it is being interpreted and where the funding is at that level and where the moves are, they have got far more of a strategic handle on where the CLT movement is and where it is going. They should. Our role is to be led by them, almost, and to do the bits that we are good at doing and let them do the development stuff in terms of the community land trusts.

This highlights the perceived advantages of having a supportive and independent organisation that helps to facilitate CLT development. Their professional expertise helps to attach an informal, intangible legitimacy to embryonic projects, whilst also contributing specialist knowledge that strengthens the case of CLTs in the eyes of strategic decision-makers and resource holders. They can also help to establish direct links between local authorities and communities, helping to foster lines of communication and dialogue that overcome potential divides between policy and community interests, and the knowledge, priorities and responsibilities of each. Furthermore, the initial seedcorn grants provided by local authorities to the rural CLTs in this research helped them to fund this specialist advice and to advance CLT development, illustrating the important connections that need to be made between public, community and intermediary roles that advance CLT development.

As CLT projects develop, the role of dedicated intermediaries tends to reduce, as their focus is often on helping communities to set up CLTs and to understand how to progress. Once homes are built or in construction, intermediaries tend to focus on new projects elsewhere in their area of remit, whilst the CLTs in this project were also able to gradually assume stronger roles as their knowledge and confidence grew through experience and intermediary support.

The enabling intermediaries themselves challenges in the funding of their services. Some enablers receive core funding from local authorities and housing associations willing to support CLT development, with further revenue taken from fees charged to schemes once site development of the homes begins. Much work is done on a pro bono basis in the early days of CLTs forming, in order to support and encourage their development. However, this funding model, commonly used by many of the enabling services, means that if schemes are unsuccessful then no fees will materialise to pay for the pre-development intermediary work that has been undertaken. This is a weakness of some of the current enabling services existent within the CLT Network. One idea put forward by an interviewee suggested that CLTs in a locality could group together to employ a local development

officer, with money taken from rents of completed schemes. While the challenge of initial core funding in the pre-development phase would still be there, over time this could provide a more secure and predictable source of funding to contribute to a local development officer, who could then support further CLT schemes in the area. However, in many cases CLTs will not need to undertake their own further development, meaning this to some degree relies on altruistic attitudes from CLTs who have benefited from the local enabling service and would like to support the spread of CLT schemes. It would require CLTs in a locality to think of themselves as part of a wider 'movement' of community ownership, as opposed to a one-off housing scheme within the confines of their local community.

7.3 Housing association partnerships

While the role of dedicated CLT intermediaries tended to reduce, there is an emerging trend of CLTs entering into longer-term contractual arrangements to receive support from housing associations. The CLT sector has, in its short life, received significant support from housing associations in different ways. Housing associations have developed joint schemes with CLTs, where each develops their own properties on adjacent parcels of land, while they have also been important sources of assistance for some of the technicalities of commissioning housing development (Moore and Northcott, 2010). The housing association sector has also supported the development of the CLT sector, contributing to the formation of CLT intermediary organisations at regional and national levels (Moore and Mullins, 2013).

Co-operation between CLTs and housing associations is therefore not new, though there is evidence to suggest it is growing in prevalence and importance as the CLT sector matures. In part, this is a response to the availability and stipulations of grant funding for housing development from the Homes and Communities Agency. In recent years, the HCA has responded to the interest in CLTs and other forms of community-led housing by widening access to its affordable homes funding programme and developing policies and enabling work to encourage community-led grant applications. This has included the introduction of dedicated regional points of contact who can advise CLTs on the submission of grant applications, as well as a relaxation of some of the criteria on which some organisations are assessed (for instance, unlike most housing associations, CLTs are unlikely to be able to demonstrate a previous track record in delivering homes).

CLTs can access HCA funding in two ways:

- 1) **Independently**, with support from a partner on a contractual basis to fulfil complex tasks if required. The CLT also has to become a registered provider with the HCA and comply with regulatory guidance if it wishes to become the landlord of its properties.
- 2) **In partnership**, with a more formalised arrangement in place where a partner leads applications for funding, takes responsibility for housing delivery, and fulfils associated regulatory obligations.

When bidding independently, CLTs have to demonstrate a range of competency measures. To become a registered provider they must provide evidence as to their governance arrangements, financial standing, and ability to meet legal and regulatory standards. To access funding, they must complete a Pre-Qualification Questionnaire (PQQ) specific to each project and funding application, including information as to their financial and technical capacity to deliver a project within an agreed timescale. Recipients of HCA grant are also required to report regularly on its use during and after housing development. This information is required by the HCA in order to monitor the spend of public money, but it creates challenges for CLTs due to their inexperience in this area, exacerbated by the fact that specific timescales are placed on the use of HCA grant according to the cycles of their funding programmes. Funding usually has to be applied for by set dates within programmes, with all allocated grant to be used by the conclusion of the programme. This is an issue for CLTs that wish to apply for funding: they need to be sure of their ability to conclude within timescales, while in some cases CLTs may not yet have identified or purchased a site for housing development, nor been granted planning permission.

Given these challenges, housing associations have been engaged by CLTs to help out with funding applications, with partnerships based on varying levels of formality and on different economic arrangements. The following sections discuss the contrasting ways in which CLTs may co-operate with housing associations, before discussing the implications of this in Section 7.4.

7.3.1 The independent route to public funding

Lyvennet Community Trust successfully became a registered provider and obtained grant funding with an independent funding application. The CLT enlisted the services of Eden Housing Association in order to benefit from their experience in accessing and utilising funds from the HCA. This originally took the form of a service-level agreement with fees payable to the housing association for particular tasks at an agreed hourly rate. This included ongoing reporting on, and managing use of, the HCA grant, trustee mentoring and support from housing association staff, and input on ensuring

the legalities and regulations were complied with. The CLT was thus able to benefit from the housing association's longstanding expertise, helping to expedite their housing development. The CLT also completed various practical tasks independently, drawing on housing association support when required and retaining overall ownership and control over the direct, management and income of the scheme.

Upon completion, an annual contractual arrangement was agreed whereby Eden would manage rental properties on behalf of the CLT in return for a percentage of rental income. This reduces the time commitment on the CLT and also ensures impartiality in the day-to-day management of homes; CLT representatives were united in emphasising that this was imperative and, whilst retaining ultimate influence and decision-making over allocations and relets, they had no immediate wish to become implicated in the practical running of housing such as rent collection and maintenance. The housing association therefore plays an important role in the management and supervision of the properties themselves.

7.3.2 Leasehold partnerships between CLTs and housing associations

The Queen Camel CLT adopted a different partnership approach by entering into a more formalised agreement with Hastoe Housing Association in order to access HCA grant. Here, housing associations take more responsibility for the development, financing and procurement of housing development, as well as its long-term management, while being led by the CLT's commitment to local needs and in-depth consultation processes. These partnerships are encouraged by the HCA, as established housing associations that act as development partners are thought to help deliver economies of scale and more efficient procurement, as well as being able to bear development risks where some CLTs would be unable to (Homes and Communities Agency, 2014: 30).

Queen Camel was unique from other case studies in that it leases its land to the partnering housing association in return for a ground rent, while the housing association owns and manages the housing, retaining the income from the rents. As described earlier in this report, the CLT retained ownership of the planning and development process including the community consultation, selection of site and influence over housing allocations through the drafting of the Section 106 agreement. However, CLT board members chose to follow the formalised partnership route for a number of ways.

First, they sought to reduce their personal time commitments and exposure to financial risk. This related to the terms and conditions of the scheme's funding, as HCA grant can be withdrawn unless homes are completed by the end of the designated funding programme.³ In the case of Queen Camel, this meant their scheme had to be completed by March 2015, and board members felt this was much more achievable if a housing association led the development with community influence:

We thought it would be a large risk to ourselves and a lot of work if we were to, sort of, contract a builder and architects and have the whole lot built and then having to manage it ourselves. It made greater sense - because there was only, what, half a dozen or more of us - to actually partner with a housing association who would take the majority of the risk, financial risk and could put up them and, you know, to get their houses designed, built, take it through planning and then manage the properties afterwards (Board member, Queen Camel CLT).

Here, the complexities of designing, commissioning and subsequently managing a housing development within specific timescales encouraged them to identify and appoint a development partner. A number of housing associations, identified through their local intermediary body, were interviewed by the CLT. Their eventual partner, Hastoe Housing Association, was selected on the basis of their local reputation as specialists in rural housing, having won numerous awards for the design of rural housing, tenant empowerment, innovation, and sustainable development. The housing association was also able to use its own loan facilities and assets to raise finance to support the development, something which the CLT would have been unable to do as a newly-formed organisation with no capital assets of its own. The CLT intermediary played a significant role in brokering the partnership and devising the different arrangements for ownership and leasing of land and housing.

While the tight timescales involved with HCA funding motivated the CLT's formalised partnership, coupled with the potential time commitments if they had commissioned the development independently, a further factor was that their overarching objective was not necessarily to become a housing landlord. One board member reflected on this, commenting on the objectives and priorities of the CLT and the ways in which these related to the potential timescales of independent development:

I didn't want to be set up the village as a property development company, as a landlord etc. I think other people do that and can do it better and I think it's proven a lot speedier

³ This funding was drawn from the HCA's 2011-2015 Affordable Homes Programme, while Lyvennet CLT's was drawn from the 2008-2011 Affordable Homes Programme.

than we can. There was initially one particular person who started as Chairman, who wanted to start effectively a village company so that the village would have a long-term income. But the way I saw it we weren't going to get houses for six or seven, eight or ten years, right, whereas this way we're going to get houses possibly occupied within about four years of this thing kicking off (Board member, Queen Camel CLT).

This board member saw the CLT's role as one that can allow local residents to control key aspects of local affordable housing through the medium of land ownership, without undertaking property development or management, taking financial risks, or necessarily generating income through housing. As described earlier in this report, these key aspects pertained to long-term maintenance of affordability, prevention of private speculation and personal profit from the CLT's homes for affordable sale and rent, and to ensure allocations were locally-focused.

In Queen Camel, the housing association was a vital partner in expediting the development process, helping to meet HCA deadlines, bringing economies of scale and efficiencies, and reducing the commitment required by CLT board members. Although the financial return for the CLT is potentially diminished, due to the retention of rental income by the housing association, their facilitation of new affordable housing in the village was perceived as better representing local preferences for development due to the in-depth consultation processes undertaken by the CLT (see Section 6). This was recognised both by the housing association and local authority, who perceived the CLT's "*intellectual control*" over the design, purpose and delivery of the scheme as informed as vital to the support for new housing amongst the wider community. Several interviewees commented that the community-based stimulus for the project, and the evidence gathered on local preferences, helped to reduce local opposition to development which may have existed had a housing association built the housing independently. Previous social housing developments in the village led by other housing associations had not been well received, largely due to the design and quality of the homes as well as their failure to prioritise local needs in the same way as the CLT. It was therefore felt that the partnership also benefited the local housing association, as the CLT's involvement and ownership of land helped to win support from local people.

A further impetus for the partnership model came from the CLT's local intermediary, Wessex CLT, which sought to identify a model of facilitation and delivery that could overcome the longstanding challenges faced by CLTs, including community capacity, reliance on key individuals, cultural attitudes among decision-makers that would favour or reject CLTs, and the expedience or otherwise of the practical housing development. It is from here that the leasehold model of ownership

emerged and interviews with CLT intermediaries in other parts of the country highlighted that this model is being replicated elsewhere.

In addition to the benefits for CLTs, it is also indicative of a new business model for intermediaries. CLT intermediaries face funding challenges of their own and are sometimes reliant on grant funding from local authorities and charitable trusts. CLT intermediaries do charge fees for their professional advice and time, often funded through the CLT Fund or by seedcorn start-up grants provided to local CLTs, but they also tend to invest a substantial amount of pro bono time. Furthermore, in some circumstances future intermediary work may be dependent on successful completion of schemes, as intermediaries often stagger and defer fees according to achievement of key milestones in the development process. The more projects that are facilitated, the more likely it is that the intermediary organisation will recover its fees and be in a position to support other communities seeking to form and develop CLTs. As such, productive partnerships with local housing associations that can overcome barriers and help deliver CLT homes in a quicker timeframe may be one way of increasing the volume and scale of CLT delivery with the support of intermediaries.

7.4 The implications of partnership approaches for CLTs

It is clear that the partnerships described above have been beneficial for CLTs, with housing associations providing crucial support with funding applications, regulatory compliance, the technicalities of housing development, and ongoing property management where homes are offered for rent. The different types of partnership used also show that there are contrasting CLT models in use, with each offering varied levels of risk and reward to communities dependent on their objectives and time commitments. While the CLT sector is united by its collective ownership of land and desire to influence the design and use of local housing, these values are enacted differently by CLTs around the country, often manifesting in productive partnership arrangements. There are, however, a number of implications to consider if partnerships are to become popular with communities, and encouraged by funders to help support the delivery and scaling-up of CLT activity.

An important consideration is the selection of partner by a CLT. In many cases CLTs and housing associations are natural bedfellows, given they are each non-profit providers of housing that seeks to meet needs unmet by the state or private markets. Indeed, in many respects the philanthropic origins of the housing association movement (McDermont, 2010) mirror the modern-day development of CLTs. However, it is important to note the differences between housing associations who often seek to balance commitments to local accountability and community focus with those led by competing logics of scale, efficiency, and use of private finance which can shift housing

associations away from being rooted in communities (Mullins, 2006). The rural case studies in this research identified housing associations that were clearly committed to local partnership working, but there may be issues as to how arrangements between CLTs and housing associations manifest elsewhere in the country, according to the extent to which social or business imperatives influence the latter's willingness to engage with local CLTs.

This also links to the power balance within partnerships and the extent to which community activism remains at the heart of CLTs. The partnerships in this study evolved from the bottom-up and clearly exhibited high levels of community influence and empowerment, both through their mechanisms of community-led governance and their in-depth consultation and engagement with local residents through CLT structures. However, interviews with national experts highlighted instances in other parts of the country (outwith the inquiry of this study) whereby partnerships were led by housing associations to a larger degree, with community leadership thought to be restricted and diluted. Participants anecdotally referred to 'top-down' endeavours, where control over development, as well as economic benefits, lay in the housing association's hands. Importantly, unlike the Queen Camel example cited here, these initiatives rarely seemed to involve CLT intermediaries who have been shown to effectively work with both CLTs and housing associations to broker mutually productive and beneficial partnerships.

This has implications for our understanding of the purpose and potential of CLTs, as well as for the benefits they deliver with respect to community development and local capacity-building, as these will vary according to power balances and the empowerment opportunities that are afforded to local residents. It is important to recognise this, as many CLTs are not only affordable housing providers but act as catalysts for local residents to organise and agitate around local issues that affect the future of their residential neighbourhoods. As such, many CLTs will not wish to directly partner with a housing association in order to preserve local voice and control, and may find that these intentions are compromised when accessing funding.

A further implication relates to the future economic model of CLTs. As seen in one of the case studies in this study, the more formalised partnership arrangements are predicated on CLTs leasing land to housing associations that assume ownership of housing and retain any subsequent rental income that is generated. While the CLT retains ownership of land and is therefore able to steward this for community benefit, ensuring that its value is used to provide affordable housing, the reduced income that can be realised through rental housing potentially diminishes the ability of the CLT to contribute to local economic development. Clearly, the ability to realise income in the first place is reliant on overcoming development risks, and the choice that CLTs make will depend on

their organisational objectives, community-defined priorities, and capacities. However, there is a concern that widespread replication and encouragement of partnership approaches from funding agencies may restrict the options available to CLTs and implicitly influence their choices. Indeed, one of the key motivators for partnerships in this study was the relatively short timescales in which CLTs could apply for funding, meaning that a partnership was seen as the best approach for them to achieve their aims within the designated funding period, and as the most expedient way to deliver much needed affordable homes before the energies of volunteers had been exhausted.

As described in Section 6, CLT structures of collective ownership can be useful vehicles for local residents to secure a local economic settlement for their area by capturing revenue from local economic processes. Retaining and promoting this potential will be important for the CLT sector's own independence and identity in the future, as working relationships with housing associations continue to develop.

KEY FINDINGS

- The participative processes of CLTs can support the acquisition of personal skills and expertise for individuals in communities, promoting the development of human capital.
- CLTs are often reliant on key individuals within their organisations. This concentration of knowledge and skill may be problematic for future succession planning, though the engagement of local professionals, CLT intermediaries, and local authority partners can strengthen the skills available to organisations.
- Cross-sector partnerships between local authorities, CLT intermediaries, and communities are critical for CLT development. Intermediaries are important actors at the interface between CLTs and local authorities, overcoming divides between policy and community interests, cultural attitudes, and contrasting priorities.
- CLTs face challenges in accessing public housing grant for the development of homes, particularly in relation to their internal capacity and their ability to respond within the timescales of funding programmes.
- Housing associations are increasingly important partners for CLTs. Partnerships are based on different levels of formality, longevity and economic arrangements.

8. Concluding Remarks

Returning to the objectives of this research described in Section 2, it is evident that the housing and community development roles that CLTs perform can offer benefits to residents of their homes and in their areas of benefit. They can be effective developers of homes with lasting affordability, meeting key housing needs in their local communities by capturing land value to provide more affordable housing. This offers security, stability and affordability to tenants, while their open democratic governance structures and work in their communities engage local residents in decision-making processes. CLTs may also be important vehicles for the development of other community assets, which can help secure revenue streams and enable the reinvestment of surpluses for community benefit over a longer period of time.

There are certain mechanisms and partnerships which support CLTs in fulfilling their objectives. Firstly, the role of local authorities is crucial, not only in providing resources (such as start-up grants or loans) or supporting funding applications, but by being committed to community-led development. Without the economic and cultural support of local authorities at early stages, CLTs would struggle to advance their aims. Secondly, cross-sector partnerships between CLTs, intermediary bodies (nationally and regionally), and housing associations are important in helping CLTs overcome challenges related to skills, capacity, and compliance with the terms, conditions and regulations of public funding. Finally, the strength of local relationships between CLTs and their residents in their areas of operation is critical. CLTs invest significant time and energy into building these relationships, which is beneficial in connecting local people with decision-making over the planning, design, delivery and use of local housing.

Nonetheless, a number of challenges and issues were emphasised in this study, particularly in relation to:

- The challenge of replicating the work of rural CLTs in urban areas, where leasehold enfranchisement laws challenge lasting affordability, and where resources such as land and property are subject to competitive private sector interests;
- The differential ability of communities to shape their local areas, with question marks surrounding the succession planning of CLT boards due to challenges of time, skill and capacity, coupled with a reliance on key individuals;

- The timescales of public funding for housing development, which may implicitly drive CLTs to enter into partnership arrangements that alter the economic benefits received by communities.

It is, however, important to recognise that these challenges occur in a wider context of economic austerity and housing crises. For instance, the financial environment in which local authorities are operating makes it difficult for them to release resources such as empty homes or plots of land to communities at lower values than they could obtain in private markets, while cuts to affordable housing finance may focus the concerns of funders on efficiency and best value as they seek to increase affordable housing supply. CLTs themselves also face challenges in their impact, as there are limitations to place-based solutions. Reflecting on their work with Homebaked in engaging the local community and bringing the Bakery back into use, a member of the Biennial commented on the difficulties they faced in advancing their work in asset ownership in an environment facing other problems including a lack of employment and poverty:

The understanding of this kind of development [that developed], of a kind of civic consciousness, was quite extraordinary, but you know we can't save the world and we haven't got jobs for everyone. That's the downside.

Furthermore, it should be acknowledged that the scale of action for CLTs is currently small, with the number of homes nationally standing at 283 and benefits largely restricted to small communities or neighbourhoods. This is likely to change in the near future, as the National CLT Network and regional intermediaries continue to develop their role in promoting the CLT concept. In June 2014 the National CLT Network launched an Urban CLT Project, with funding to support 20 pilot urban CLTs, suggesting that the scope of CLTs will stretch further beyond their common use in rural locations.

How to increase the volume and scale of CLTs?

There may be a number of ways and opportunities to enhance the volume and scale of CLT contributions to affordable housing, including the development of new Garden Cities in England. Originating from the thinking of Ebenezer Howard in the 19th Century, Garden Cities were designed as planned communities that combined social and environmental concerns through innovative designed buildings, affordable residential accommodation, and provision of green space. One of the defining features of Garden Cities is that they have synergy with modern-day CLTs, in that they should capture land value to enable the provision of local services and to provide community benefit, but their development has been limited to a small number of settlements. The development of three new Garden Cities has recently been proposed by the Government as a method of

increasing housing supply, though there are concerns that the ideals of Garden Cities in relation to the capture of land value and development of affordable housing are not a priority, as there is no stipulation that their development should include affordable housing.⁴

However, the planned nature of such settlements may open up new opportunities for replication of the CLT model. Clearly, the origins of a CLT in this instance would be somewhat different from the CLTs in this research given there would be no existing community in place, but there are a number of organisations who could lead such a process, including housing associations, CLT intermediary organisations (who in some areas of the country are already engaged in property development), and local authorities. If a percentage of housing in new Garden Cities were to be premised on the CLT model, it would ensure that land value is captured for community benefit, while community governance structures could be embedded into the design and management of new homes from the outset, allowing new residents to influence the look and feel of their neighbourhood, and perhaps the self-build of their own homes if desired, and to assume ownership at a later date if there was appropriate interest and capacity from local citizens.

The findings of this research illustrate the benefits CLTs can provide to individuals, in terms of providing more affordable and secure housing, combined with the communal benefits associated with community development, highlight the potential of CLTs and their role within future Garden City developments should be given serious consideration. This would offer the opportunity to test the CLT model at a larger scale, though this would require significant institutional support from national Government, which would need to be more consistent and have more permanence than that which has been shown in the short life of CLTs to date. Government support has largely related to temporary funding programmes and grants to support the development of the CLT sector's intermediaries.

One contribution to a policy framework may be for public funding mechanisms to be streamlined to better support the vagaries of community-led development. As noted earlier in the report, the timescales of existing public funding programmes can limit community-led development, and organisations in the early stages of development may be disadvantaged due to their embryonic status and local circumstances. This echoes the recent findings on the Empty Homes Community Grants Programme (Mullins and Sacranie, 2014: 64) which highlighted *"the need for a policy framework and funding practices that 'fit' with smaller organisations."* While the HCA has done significant work in this area in recent years (see the beginning of Section 7.3), which has been

⁴ 'New garden cities are not required to include low-cost homes, minister says', *The Guardian*, 21 April 2014: <http://www.theguardian.com/society/2014/apr/21/new-garden-cities-low-cost-homes>

welcomed by CLTs, if funding were to be provided on a more flexible, ongoing basis then more new CLTs may be enabled to come forward. It may also encourage a greater number of independent applications for public funding – should this be desired by individual trusts - as opposed to the partnership route whereby housing associations are encouraged to take the economic risks of schemes, and may subsequently accrue economic benefit or incur economic loss.

Further institutional support may also come at local authority level. The economic and cultural support that local authorities have for CLTs is important, but this may not be formally acknowledged in policies and plans, which to some degree makes this support contingent on the prevailing attitudes amongst housing and planning officials within individual local authorities. Interestingly, Eden District Council has recently included support for self-build housing and CLTs as one of their preferred options for the allocation of housing sites in the local area (Eden District Council, 2013). This formal recognition reflects the work done by Lyvennet Community Trust, as documented by this study, and other CLTs that are being supported by the work of Cumbria Rural Housing Trust as the local intermediary. This type of recognition can help to incrementally build support and awareness for the CLT model and may be a focus for lobbying activity by regional and national CLT intermediaries.

This is also important with respect to the acquisition of land. Two of the CLTs in this study were able to benefit from circumstance in their purchase of land – one bought an unused site in the area, another bought from a rural private landowner willing to sell – while Homebaked CLT were only able to gain ownership of some of the empty homes (and the land on which they stand) due to alternative regeneration plans that conflicted with their aims. Put simply, without affordable access to land, CLTs will struggle to meet their objectives, as the higher the price they pay for land, the more they may have to build this into the pricing of their homes. Processes for the acquisition of land are currently under developed and reliant on local circumstances. A commonly expressed viewpoint is that public land should be transferred into community ownership, though this faces challenges given the context of economic austerity (Quirk, 2007). Mechanisms have been put in place to support the transfer of land and other assets, such as the Community Right to Reclaim Land and Community Right to Buy in the Localism Act, but these did not appear to hold much currency or have much impact on the CLT sector in this research. One idea that should be given more consideration may be for a percentage of large developments in cities to be endowed to CLTs or similar ownership structures that capture land value for local benefit. This would help support the development of urban CLTs and avoid the problematic scenario of community ownership structures having to compete for prohibitively expensive land with private developers. It would also offer more

affordable housing opportunities for local residents, particularly in areas such as London and the South East where affordability is restricted and the rental market is under severe pressure.

Finally, there may be scope for further development and honing of the partnerships between CLTs and housing associations. These partnerships have proven productive, but there is a concern throughout the sector as to how this may impact on the identity of CLTs if partnerships become increasingly common. It may be that CLTs in different regions begin to assume unique identities and characteristics, as local diversities and nuances emerge according to the funding mechanisms, partnership arrangements, and economic models of individual trusts. One suggestion put forward by an interviewee was that partnerships could be developed to ensure CLTs accrue a greater economic benefit from schemes, such as purchasing greater stakes in the ownership of homes, or be given a realistic option for ownership to be transferred in the future.

Future Research

This research has highlighted that CLTs can be effective organisations in their local communities. Their offer of affordable housing and promotion of community development means that they should be considered a realistic ‘third way’ of providing housing by local and national governments. They can support the diversification of housing provision and capture land value for local benefit. However, this study is only based on three examples of CLTs, and as the volume and scale of the sector continues to grow there will be a number of important avenues for future research. These may include:

- Exploring the ways in which CLTs preserve affordability over time. The true test of their lasting claims to affordability come not at the outset of the schemes, as documented here, but in the years to come as homes are exchanged between buyers and sellers, or relet by CLTs;
- The housing pathways and experiences of CLT owners and tenants over time, particularly in relation to those whose wealth creation through property is limited by resale restrictions;
- The characteristics of CLT residents and tenants, which would help to highlight the varied housing needs the sector meets and the different types of ‘community’ that are evident within CLTs’ area of benefit;
- Investigation of the ways in which CLTs generate and recycle surpluses from their income and assets within local communities.

CLTs conceive the use of land and property in their ownership as drawing less upon capital exchange values and more upon use values that offer rights of use, residence and occupation to residents in

their area of community benefit. The extent to which their aims are accomplished – and the extent to which the findings of this research are replicated nationwide – is dependent not only on local leadership, but on the shifting policy and economic contexts in which CLTs are operating. This research has helped to identify the mechanisms that help and hinder CLT development, as well as the ways in which individual and collective benefits – both tangible and intangible – are provided by communities at local level. However, this does not occur in a vacuum, and for these alternative forms of provision to grow there needs to be continued facilitation and development of the CLT sector that overcomes the barriers they face whilst preserving their core focus of capturing land value in trust for the benefit of their local communities.

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Appendix A: Legal definition of community land trusts

Community land trusts are legally defined in Part 2, Chapter 1, Section 79 of the Housing and Regeneration Act 2008. The definition is as follows:

A community land trust is a corporate body which:

1) 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
- to ensure that the assets are not sold or developed except in a manner which the trust's members think benefits the local community

2) 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)
- 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) the members of a trust control it.

Appendix B: List of additional research resources

Homebaked Community Land Trust

2Up 2Down Stage C Report on participatory design process (2012), available online at: http://www.2up2down.org.uk/wp-content/uploads/2012/09/Stage-C-Report-v6_FULL_LOW-RES-.pdf

Liverpool City Council (2014a) 'Anfield Ward Profile', available online at: <http://liverpool.gov.uk/media/120756/anfield.pdf>

Liverpool City Council (2014b) 'Anfield Spatial Regeneration Framework – draft for consultation', available online at: <http://anfieldproject.iprogress.netdna-cdn.com/wp-content/uploads/2014/02/SRF-Draft-140128-B-lowres.pdf>

Lyvennet Community Trust

Memorandum of Understanding between Lyvennet Community Trust and Eden Housing Association (undated), available online at: <http://www.lyvennetcommunitytrust.org/Memorandum%20of%20Understanding.pdf>

Lyvennet Community Trust Housing Needs Survey (2008), available online at: <http://www.lyvennetcommunitytrust.org/CR%20Housing%20Needs%20Survey.PDF>

Lyvennet Valley Community Plan (2009), available online at: <http://www.lyvennetvalleycommunity.org/downloads.html>

Lyvennet Community Trust Business Plan (2010), available online at: [http://www.communitylandtrusts.org.uk/upload/public/CLT%20Handbook/Model%20policies/Template%20business%20plan%20\(main%20document\)-%20Lyvennet%20Community%20Trust.pdf](http://www.communitylandtrusts.org.uk/upload/public/CLT%20Handbook/Model%20policies/Template%20business%20plan%20(main%20document)-%20Lyvennet%20Community%20Trust.pdf)

Lyvennet Community Trust Business Plan Appendices (2010), available online at: [http://www.communitylandtrusts.org.uk/upload/public/CLT%20Handbook/Model%20policies/Template%20business%20plan%20\(Appendices\)-%20Lyvennet%20Community%20Trust.pdf](http://www.communitylandtrusts.org.uk/upload/public/CLT%20Handbook/Model%20policies/Template%20business%20plan%20(Appendices)-%20Lyvennet%20Community%20Trust.pdf)

Lyvennet Community Trust (2010) *Setting the Scene*, available online at: <http://www.lyvennetcommunitytrust.org/LCT%20Setting%20the%20Scene%202010.pdf>

Lyvennet Community Trust Housing Allocations Policy (2011), available online at: http://www.communitylandtrusts.org.uk/resources/Best_practice

Queen Camel Community Land Trust

Map of Queen Camel proposals (undated), including different sites considered for housing development

Queen Camel Community Plan 2005, available online at: [http://www.queen-camel.co.uk/uploads/1/0/1/6/10163560/parish_plan_report - 21st may 2005.pdf](http://www.queen-camel.co.uk/uploads/1/0/1/6/10163560/parish_plan_report_-_21st_may_2005.pdf)

Queen Camel Development Plan (2009) – unpublished.

Queen Camel Parish Plan Update (2012), available online at: http://www.queen-camel.co.uk/uploads/1/0/1/6/10163560/2012-september_parish_plan_update.pdf

Supplementary documentation in support of Queen Camel CLT's planning application (2013), available at: <http://www.southsomerset.gov.uk/planningdetails/?id=1301124FUL>