

Commons Sense

Co-operative place making and the capturing of land value for 21st century Garden Cities

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Acknowledgements

We would like to pay special thanks to Co-operatives UK, CDS Co-operatives and Ecology Building Society for sponsoring this report. Thanks are also due to Esmée Fairbairn Foundation for hosting a half-day seminar in July 2011 to consider the barriers faced by urban Community Land Trusts. This seminar kicked-off a wider and deeper inquiry into civil society led solutions and paved the way for the Deliberative Dialogue on these matters which was held at the 'Back to the Future' conference at Letchworth Garden City on 7 November 2012. We would like to thank the sponsors of that event including Letchworth Garden City Heritage Foundation, Charity Bank and Triodos Bank.

We are otherwise indebted and would like to thank Community Finance Solutions at the University of Salford for the provision of the skilled help of Gemma Thompson to provide superb administrative support for this project. We would additionally like to express our gratitude to David Ames and the staff of Letchworth Garden City Heritage Foundation for their diligent role in making the conference a memorable success. A special thanks needs to be made to the conference speakers and to the additional report contributors from as far afield as Australia and the USA. The report and the findings could not have been framed without the hard work of our expert conference facilitators and reporters. We thank them. For help reviewing, commenting and editing the report, we must thank Ed Mayo, John Goodman, Stephen Hill, Shann Turnbull, Moyra Riseborough and Robin Murray for their eagle eyes and wise suggestions. Lastly we are especially grateful to the collective willingness of all speakers and scribes to go far more than the extra mile to help us document fully the outcome, findings and recommendations of this Deliberative Dialogue on Co-operative Place Making.

Pat Conaty and Martin Large

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1. Preface: Co-operative place making – Antidote to market failure?

We organised the conference at Letchworth Garden City when the fallout of housing and financial market failure had still not settled. With house prices on the rise again in many regions, no one knows what the new world of planning and housing development will be able to achieve. Nevertheless, we were responding to clear signs from politicians, professionals and ordinary people that they all believe there has to be something better than the system we have had, even if there is no immediately shared vision of what that alternative could look like.

What is this market failure exactly? A look toward what has been achieved by those who have developed their own co-operatives, Community Land Trusts and cohousing projects perhaps – in their examples of how to live more sustainably – shows what has not been offered by conventional planning and mainstream housing providers. Indeed, that word 'provider' might just be part of the problem. Who wants to be 'provided for'? Who is deciding what is to be provided and why? Where is the sense of customers and service and of 'choice'?

The high cost of housing is draining money out of the productive economy, mainly through land and house price inflation, with damaging effects for national and individual household budgets. Many new homes are unaffordable to ordinary working people, some offer poor value for money in terms of quality of construction, design and energy performance and cost pressures frequently drive out good design in the spaces between buildings and in the concept of supporting new neighbourhoods. Many new developments are socially, environmentally and economically obsolete from the moment they are conceived, let alone designed or built.

Our interest in Community Land Trusts and other forms of mutual housing and enterprise is their potential to both become a driver for co-operative place making and for setting foundations for investment in the kind of homes and places that many people long for. So far, only a few co-operative place makers have made it on their own and succeeded in showing what can be done. As with the transition from traditional to digital cameras, we simply need to find the tipping point – the perfect blend of ingredients that turns the 'just enough' pioneers and early adopters into a mainstream throng. As this report highlights, new forms of horizontal democracy may be part of that blend – but it will take more vision, more funding and more bravery too.

Indeed, there are some good examples now, as this report shows, of how major breakthroughs can come through when forward thinking public sector bodies embrace this vision and offer practical support to those on the ground with the energy to make change happen. Social-Public partnerships are a creative vehicle to do this. The evidence is out there to prove this. The Community Land Trust movement that has secured strategic and proactive public sector support from Burlington, Vermont to Cornwall show the power of horizontal democracy in action and the positive effects that derive from co-design, co-construction and co-delivery - all in pursuit of 'the common good'.

CDS Co-operatives
Community Finance Solutions, University of Salford
Ecology Building Society

Charity Bank
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2. Summary

In this time of growing austerity, revisiting pioneering ideas from the past on how land is owned and shared can be a source of innovation and insight on how to self-finance local economic renewal. Henry George posed the conundrum: why do we have industrial progress and yet rising poverty? As he showed, a key explanation is the way escalating land values contribute to a structural mal-distribution of wealth. First, the value of land depends on location, and second, concentrated urban investment, both public and private, increases site values while in turn raising the costs of meeting basic urban needs – from housing to workspace and public services. How might this be overcome?

As we can see today in the wake of the housing bubble, a lack of land value control has increased social redistribution costs for taxpayers and became a vicious circle triggering boom and bust. John Stuart Mill proposed a stability and affordability remedy: convert land into commonwealth (a) to control rising costs and (b) to capture socially both the 'unearned increment' and economic rent for the welfare of all. A century ago Ebenezer Howard showed how to put these insights into practice.

Democratic ownership solutions in relation to land and capital are critical to financing in affordable ways the transition to green cities in the 21st century. How we transition to diverse forms of economic democracy is crucial and the focus of this report.

The ownership and control of land and its improvements can directly involve local people in place making or indirectly do so through entities that can take many organisational forms. These include: trusts, mutual associations, co-operatives, community benefit societies, private companies, public companies, local authority and other government bodies. Individual involvement can be as a sole proprietor, a joint tenant, a tenant in common, a trustee, a shareholder in a co-operative or private company or plc, a leaseholder and so on.

Collective ownership systems become even more complex when it is recognised that the power to control or manage property can be different from the entitlements to its use or to the economic value of either the land or its improvements - including a home or a community facility.

Because large-scale reform of land tenure systems is so expensive, most initiatives have been confined to less than an optimum size as we have seen with successive waves of nationalization and privatisation since the 1940s. One outstanding exception on a human scale level was the creation of the new town of Letchworth, 34 miles north of London in 1903, by the First Garden City Ltd (FGC). Led by Ebenezer Howard and with an initial acquisition of 4,000 acres (extended later to 5500 acres) of farmland, a range of ethical investors (including those in the co-operative movement along with Quakers, philanthropists and other social investors) held the shares of FGC in trust for its future citizens.

The scale of Letchworth, which now has a population of 33,600 citizens, allowed before 1945 the economic values generated by its mutually owned infrastructure services like water, sewerage, gas, electricity, roads, transport services, places of employment, farms schools, hospitals and recreational amenities to be captured, utilized and shared for the mutual benefit of all its inhabitants.

No other collective land reform initiative has matched the outstanding economic success of Letchworth. Its success arises from a confluence of four features:

1. Letchworth was a new town created on a "Greenfield" site that generated substantial new economic development values that did not previously exist;
2. Nearly all development values were captured by the FGC to be collectively retained and used to allow development to become self-financing on a long-term sustainable basis as is still evident over a century later;
3. The size and scope of FGC allowed for a holistic integration of the city's housing with light industry to provide not only employment income for residents but rent from the wealth creating sector to cross subsidize affordable housing, schools, hospitals and other community facilities on a sustainable basis. Self-sufficiency was also furthered from the output of FGC farms on the first 'Green belt' established in the UK which also produced "export" earnings and additional rent/rates;
4. The ethical, religious and co-operative social investors whose money seeded the creation of Letchworth also forged it with social values to further its economic viability and resilience.

Community Land Trusts (CLTs), housing co-operatives, cohousing and other forms of mutual ownership of energy and food production (alongside housing) generally operate at a small settlement or neighbourhood scale and when seen together clearly indicate the wider potential of mutualisation strategies. These diverse forms of co-operative economic democracy can achieve social, environmental and economic wellbeing not possible with conventional public or private land tenure models. In complementary ways, these different mutual and co-operative solutions can co-deliver the Eco-city solutions needed in the 21st century and they can do this in self-financing ways under a larger co-operative systems approach. What might this look like?

CLTs, housing co-operatives and mutual homeownership societies are unique, low-cost ways to provide and maintain housing affordability. They typically do so by obtaining a gift or grant of heavily discounted land as this report shows. By operating on their own separately at a micro-economic scale, they cannot and will not secure the transformative success that Letchworth has demonstrated the potential for. Our efforts must be focussed, therefore, on scaling up the means of achieving this transformation and tackling market failure.

Based upon a co-operatively acquired land bank, the size and scope of the Letchworth Garden City precedent demonstrates how the cost of land and its infrastructure development can become self-financing. Such a model allows the cost of land to be eliminated from the cost of housing and thus to produce low-cost and affordable housing on a long-term sustainable basis.

The report shows how Co-operative Land Banks (CLBs) with the size and scope of Letchworth can be revived. CLBs could both eliminate the cost of land and would allow CLTs, housing co-operatives, community food and co-operative energy schemes to secure a long-term lease without the need for a gift or grant of land. In this way co-operative forms of housing tenure and co-operative energy for district heating and renewable energy could become much more widely adopted as in Scandinavian countries that are much further ahead than the UK in advancing low-carbon solutions. In Denmark, for example, co-operative sector and local authority partnerships are key to their evident success in both decentralising and democratising energy and housing services provision that also reduces greenhouse gas emissions.

Co-operative Place Making requires Government, local authorities and their constituents to become aware of the various mutual options for substantive and real practical reform as this report demonstrates. These options require collaborative forms of public-social partnership. But why is this so strategically important and why do the lessons from Letchworth about capturing land value advance the thinking beyond Danish good practice with combined heat and power technologies?

As this report illuminates, unearned windfall gains in land value commonly arise from planning approvals and public investment decisions. By way of example, the report cites the huge windfall gains secured from Government expenditure on the London Jubilee line extension in the 1990s. The ability of a CLB to become self-financing can be easily understood by considering what happened in Southwark when taxpayers provide public investment of £3.5 billion. Following the completion of the Jubilee Line, property values within 1,000 yards of each of the eleven new stations rose in value almost four-fold to £13 billion. Co-operative land solutions as this report shows, can capture this value for the common good.

The report makes ten recommendations for forging practical and collaborative action for building commonwealth:

- 1. Co-operative Place Making:** There is untapped power in the hands of civil society groups. What is impeding the unleashing of this massive capacity is a lack of agreed, allied and creative civil society action planning that joins up the best local place making practices. Wrong-headed competition amongst organisations is the biggest barrier to shared success. A coming together through Co-operative Place Making should forge collaborative action as the Garden City movement exemplified.
- 2. Co-operative Innovation Labs:** Those most in need of Community Land Trust solutions are young people and young families priced out of the housing market. A Co-operative Innovation Lab should assemble 100 people aged between 18 and 35 to meet once a month for a year to generate ideas for the incubation of CLTs and other forms of mutual housing and to launch the findings to promulgate practical action.
- 3. Multi-stakeholder co-operatives for the Common Good:** a mutual aid sense of social, ecological and economic Common purpose needs to be pursued by active citizens to galvanise action for a new Garden City movement for the 21st century. A coalition should be forged to unleash the untapped potential to join up Community-led housing solutions including Community Land Trusts, co-operative housing of all tenures (rental and shared equity), Community Self-build and Co-housing. A network of multi-stakeholder co-operatives should be developed to link the community land solutions for housing to the community food, workspace and sustainable energy solutions that also require access to sites.
- 4. Social-Public Partnerships:** Coin Street Community Builders in London and Champlain Housing Trust in Burlington, Vermont have succeeded as urban CLTs because of creative multi-stakeholder partnerships between civil society groups, supportive local authorities and other urban anchor institutions. These dynamic partnerships are vital to secure the transformative vision. The enabling strategy currently being developed for mutual housing in Wales and supported by government should become commonplace across the UK. The TCPA, Co-operatives UK and the National CLT Network should collaborate with other place-making bodies to secure buy-in for social-public partnerships with the strategic goal to create at least 20 urban CLTs over the next five years.

5. **Co-operative Capital:** The biggest barrier to the Garden Cities achieving their transformative mission has been an inability to mobilise long-term investment. The Community Development Finance Association, Co-operatives UK and the National CLT Network should work with the Community Development Finance Association and the UK social banks financing CLTs to develop an effective system for the provision of innovative forms of co-operative capital. Lessons should be drawn from relevant UK and international best practice including co-operative consortia and mutual guarantee societies to reduce risk and the cost of capital.
6. **Co-operative energy partnerships:** Meeting housing and energy service needs were core to the original Garden City vision. Cities in Denmark are well on the road to green city solutions by 2030 and it is the municipal and co-operative sector joint ventures that have been key. Aberdeen CHP is an expression of this model and we need this approach to become the norm nationally.
7. **Community access to food growing spaces:** There is a fast growing demand for food growing space and in some cities in England the waiting list for an allotment is over 40 years. The Community Land Advisory Service (CLAS) has set up teams in Bristol, Edinburgh and Cardiff that are developing across England, Scotland and Wales a Community Land Bank system to enable meanwhile use and longer lease sites to be made available for food growing. CLAS is being led by the National Federation of City Farms and Community Gardens and is backed by a growing number of local food groups and local authorities. Community Land Banks should become a core part of a new Garden City movement.
8. **Garden City principles to guide planning system practices:** In order to maximise the practice of social-public partnerships, incremental development should become the new standard. Planners should be retrained in Garden City principles. A new design code should be introduced that is based on proscriptive rather than prescriptive principles. The aim should be to encourage greater social innovation and multi-stakeholder participation within good urban design standards.
9. **Mutual Land planning appraisals:** The implementation of Garden City principles in planning needs to ensure transparently that all stakeholders concerned are assisted to consider and appraise mutual land tenure options. Comparative impact statements should be required whenever public sector bodies take planning and investment decisions that would lead to significant changes in land values. A condition for proceeding with planning approvals and public investment should be for the property owners obtaining windfall gains from government actions to donate an appropriate area of their land for co-operative ownership and control.
10. **Public Land Banks and Garden City pump priming:** Community Land Trusts should become the exit and long-term stewardship strategy of time-limited, public land bank assembly and regeneration interventions. Endowing the freehold of public land to social-public partnership CLTs will enable long-term housing affordability to be guaranteed. This strategic plan should be implemented to create the enabling system required to co-develop new Garden Cities and to restructure existing urban areas as Garden Cities to co-produce commonwealth and low-carbon economies.

The lessons from Letchworth show how Ebenezer Howard's model - if updated and fully implemented through a Co-operative Land Bank system - can provide self-financing solutions to meet the increasing three-fold social, economic and ecological challenges faced by the UK. This sound and integrated urban solution should become a new 'social contract' to build commonwealth for all and to provide a roadmap for 21st century Garden Cities.

3. Introduction: Can we recreate Garden Cities for the needs of 21st century citizens?

Pat Conaty, Co-operatives UK

'Men did not make the earth....Every proprietor owes the community a ground rent for the land which he holds.'

This quote is from Thomas Paine's book *Agrarian Justice* (1797). Two centuries ago he proposed a Citizen's Income as an equitable quid pro quo to tackle the inequality and poverty caused by an expanding private sector enclosure of land. Despite the structural nature of unaffordable housing costs, the land question and the scope for sensible and practical reforms of both ownership and governance are not on the policy agenda. Few people are aware of the intensive concentration of landownership in Britain with 36,000 people (0.6% of the population) owning about half the land.¹ There are definite possibilities for positive change as the diverse contributors to this report make abundantly clear.

Today the UK is facing a three-fold and interconnected set of social, economic and ecological challenges. Population levels are rising, unemployment and poverty are becoming more widespread, the economy is crawling out of a 'Great recession', fuel and food costs are soaring, young people cannot afford to buy housing, overcrowding is on the rise and the building industry is dormant. The circumstances currently being faced nationally resemble many of the challenges faced at the end of the nineteenth century. The Garden City movement was then launched and could provide today a robust way to develop long-term affordable solutions. Moreover Garden Cities if well designed can become self-financing and thereby overcome the challenges the UK now confronts under conditions of severe austerity.

Looking back a hundred years what is striking is the similarity in the ways that Garden Cities held land for community benefit and how smaller community land trusts do the same today. A key difference is that the Garden City movement and mission were more ambitious about practical land reform for the benefit of local citizens. This was the case right from the outset when the First Garden City (FGC) Ltd. company was founded in 1903 to own the land mutually at Letchworth through its resident shareholders.

Much pioneering work has been achieved across England and Scotland over the past 15 years to develop successful Community Land Trusts (CLTs) and other community and co-operative property ownership bodies. Democratic systems, project development methods and appropriate legal structures to do this cost-effectively have emerged. Effective and practical partnership methods that work locally are now evident for affordable housing, community shops and other forms of co-operative and mutual ownership. However so far community land trust success in Britain has been largely confined to rural areas.

Might CLTs succeed more widely and make breakthroughs in cities across the UK? Evidence from the USA where urban CLTs are successful would indicate the untapped potential. But the home-grown model of Letchworth Garden City uniquely offers a strategic road map.

¹ Tamara Cohen (2010) 'Look who owns Britain: a third of the country still belongs to the aristocracy', Mail Online, 10 November 2010.

The First Garden City legal structure provided the institutional framework to hold the ownership of all the Letchworth land in trust for its future citizens. Howard's innovation demonstrated practically how enlightened planning and co-operative methods could make a major difference to the sustainability of towns and cities. With the growing affordable housing crisis and the need to develop a green economic revival, is it now the time to go 'back to the future'? The story of the Letchworth Garden City vision and achievements are remarkable. Howard went on to lead the development of nearby Welwyn Garden City in the 1920s. He had little Government support for this and sourced his capital once again to buy the land from a broad range of social and ethical investors.

The visionary co-operative land tenure system was designed by Ebenezer Howard and put into practice though the guidance of the pioneering urban planning architects, Barry Parker and Raymond Unwin. In a somewhat similar way to how the Chartist Land Company and trade union social investors struggled to restore the commons by mutually funding the development of a number of Co-operative villages in the 1840s and 1850s, Howard with no government support pursued a land tenure system to capture the unearned increment of property development for community benefit.

Impressed by the efforts of the early Co-operative movement, the classical economist John Stuart Mill had argued from the 1850s on the need to bring land into common ownership or public trust to ensure the quality and affordability of housing and for the development of public services and amenities. Mill's vision inspired the Birmingham municipal revolution of Joseph Chamberlain in the 1870s that tackled overcrowding, rebuilt the centre of the city and developed the first municipally owned gas, water and lighting services.

The Garden Cities Town and Planning Association (later renamed the TCPA) in 1919 defined a Garden City or Town, quite clearly, as what today would be regarded as an urban Community Land Trust, but on a large scale indeed.²

"A Garden City is a town designed for healthy living and industry of a size that makes possible a full measure of social life but not larger, surrounded by a rural belt; the whole of the land being in public ownership, or held in trust for the community."

To pursue this radical mission, Howard incorporated First Garden City Ltd on 1 September 1903 as a "co-operative land society" and raised initial share capital of £20,000. His vision was to use sources of social investment to build new cities where the land was owned collectively for civic benefit and citizen wellbeing. Having purchased most of its site in 1903 from 15 farmers at a low price of £40 per acre, Letchworth Garden City developed steadily and its population grew. Other land needed was acquired on this journey and over the next 50 years the company completed the original master plan for 33,000 residents. Letchworth and Welwyn Garden City both thrived.

By holding the land (now 5,500 acres) in mutual ownership, First Garden City was able to capture lease income from the land, from commercial buildings, from a variety of social enterprises it owned, and to reinvest that money continuously in community improvements. The socially owned services provided by First Garden City included gas and electricity and the mutually owned farmland. These and other design aspects were intended to make each Garden City relatively self-sufficient. Thanks to this ingenious system of integrated land reform, living for citizens was affordable and convivial, and people had what they needed close by.

² Formal definition that was adopted by the Garden Cities and Town Planning Association in 1919 and quoted in Maurice de Soissons (1988) *Welwyn Garden City, Publications for Companies, Cambridge*.

Residents of the Garden Cities were engaged in a mutual benefit system of unprecedented scale. All citizens were shareholders in the 'co-operative land society managed by the company. The rents provided income to the mutually owned First Garden City company which over time as the development loans were repaid enabled this revenue to be annually reinvested in a closed loop process back into the community. Some changes occurred in 1945 when gas and electricity services were nationalised and planning functions were transferred from First Garden City to Letchworth Urban District Council.

However in 1961 a group of corporate raiders and financiers under a company called Hotel York Ltd. attempted to take over the land, demutualize the organization, and break the back of the co-operative land society. Fortunately the government successfully fought off the onslaught, but victory came at a cost. The co-operative ownership of the land was transformed through a private member's bill and Act of Parliament into a government statutory corporation in 1962. This defensive success was achieved through joint lobbying by both the local authority and the community of Letchworth.

In 1995 the legal structure of the company was changed back to a tax-exempt mutual structure. The land assets were transferred to the new Letchworth Garden City Heritage Foundation, a self-funding charity with an institutional form similar to that which Ebenezer Howard established in 1903.

Co-operative and mutual land tenure needs to be preserved and protected in order to lock in long-term housing affordability. Like with a CLT, many of the homes were established with 99-year leases and the 1967 Leasehold Reform Act gave owner-occupiers the right to buy their lease at an affordable price. As a result and as the 99-year leases have continued to come up for renewal, residents have purchased the properties and, following the logic of the real estate market, have been reselling them at a significant profit. However the leasehold properties sold are subject to the Scheme of Management, which is administered by the Letchworth Garden City Heritage Foundation and controls alterations to the external appearance of the housing. The income from the sale of any freeholds is reinvested into the community. Additionally the Scheme of Management requires any proposal to increase the density of housing on an existing plot to pay a premium, which has limited infill development problems.

Aside from Letchworth and Welwyn, the CLT idea didn't really begin to take hold again nationally until the 1980s and 1990s. To some extent inspired by successful projects in the United States, the first wave of new CLT developments in Britain have required considerable effort and a lot of learning by trial and error, with grassroots groups in both England and rural Scotland pioneering the new approach.

Let by Tony Crofts, Stonesfield Community Trust was set up in Oxfordshire in 1983 as a village Community Land Trust. It has since then developed 14 local homes and managed workspace with diverse forms of social and ethical investment including some gifted land, low-interest and interest free loans and some financial donations from local people and other social investors. Quaker Housing Trust played a key-supporting role along with Triodos Bank and Ecology Building Society. Additionally the local authority made a second loan for a further development site. At a similar time and with the support of the former GLC, Coin Street Community Builders was supported and has evolved to become a good example of what an urban CLT can achieve in relation to effective, local and successful community-led regeneration.

Case study 1: Coin Street Community Builders

Coin Street Community Builders is a social enterprise with a unique history. In 1977 Coin Street Action was formed by local residents to campaign on the South Bank in London against plans for office blocks, which would replace their neighbourhood, which was, then in decline. Seven years later after a relentless campaign the residents were supported by the Greater London Council to acquire a 13-acre site of mainly derelict buildings and to implement a grassroots plan to regenerate their community. The campaign attracted widespread support and a group of companies was formed in 1984 to take on the daunting challenge. The Coin Street Community Builder companies included a social enterprise trading company, a non-profit charitable organisation and a secondary housing co-operative. Working collaboratively these three companies have both achieved their mission and demonstrated the untapped potential for community land stewardship approaches in big cities. Essentially Coin Street Community Builders is a community land trust. The land is owned by a development trust and a broad range of housing co-operatives have been established; the Oxo Tower and other derelict industrial and commercial buildings including Gabriel's Wharf have been transformed into shops, galleries, cafes, restaurants, bars, a riverside walk and a popular local park; and the non-profit company manages and operates a range of services for the community including child care, family support and learning, enterprise support programmes, a community and sports centre and is currently developing a public swimming and leisure centre. There are many sources of commercial income captured for community benefit. Only local residents can become members of Coin Street Community Builders and any profits are ploughed back into the meeting of public service objectives.

Land ownership in rural Scotland is concentrated in the hands of a few hundred very large landlords. In one leading grassroots struggle in the 1990s, the local community on the Isle of Eigg, blocked by an absentee landlord from having any control over decisions concerning economic development of the island, started organizing to change this 20 years ago. Led by crofters, the Eigg community succeeded, against all odds, in raising sufficient funds from social investors to buy the entire island in 1997. They set up then the Isle of Eigg Heritage Trust—a path-finding CLT.

This success inspired other rural and island communities to follow suit, and they attracted growing support from the Highland and Islands Development Agency. Community land reform became a popular cause and the Scottish Parliament passed the Land Reform Scotland Act 2003, which created an enabling framework for advancing the community asset and community land ownership solutions. Work in Scotland has focused on supporting economic regeneration, affordable housing and renewable energy development, especially in isolated and depopulating rural areas, where a couple of dozen CLTs have been established.

Founded in 1984, the same year as Coin Street Community Builders, Champlain Housing Trust has been the pioneer of urban CLTs in the USA and like Coin Street it emerged out of a social-public partnership with an enlightened local authority partner and local politicians who could see the strategic potential for practically based urban land reform to develop mutual land for Co-operative Place Making as Coin Street has demonstrated.

Inspired by the Coin Street, Stonesfield and Scottish pioneers and by the growing number of CLTs in the USA, a CLT movement has developed in England and Wales since 2004. Support has been received from a broad range of MPs in different political parties and a definition in law in England for CLTs (see Section 79 of the Housing and Regeneration Act 2008) is operational. Work is currently underway to define CLTs under the Housing Bill in Wales.

Case study 2: Champlain Housing Trust – Burlington, Vermont

Champlain Housing Trust Vermont is the largest CLT in the USA. It was founded as Burlington Community Land Trust in 1984 when the Federal government programmes to fund affordable housing were cut back. Taking land out of the market was pursued as an alternative subsidy strategy through a CLT that emerged from a social-public partnership between community groups and the city council. With active support from Bernie Sanders, the mayor of Burlington, strategic funding was mobilised. This included a core revenue grant to set up the CLT and a \$1 million line of credit from the city employees' pension fund to provide investment.

The CLT has expanded steadily since and manages over 2000 affordable units of housing including part-equity homeownership and apartments to rent. The CLT also supports on its land an additional 81 limited equity homes provided by five housing co-operatives. The CLT provides full technical assistance service to support the development of new housing co-operatives. In addition to housing, the CLT has developed a day centre for the elderly, a nursery facility, managed office space for social enterprises and non-profits, a city centre shop-front for the community development credit union for the region, an office for the Legal Aid Service and a multi-unit housing and workspace complex for local businesses - developed through the regeneration of a redundant bus depot.

The CLT operates as a democratic and mutual enterprise. In a way like the first UK building societies developed, from the beginning it has looked to its members to build its balance sheet. It currently has over 2500 members that range broadly from local businesses to social investors and they contribute gift capital regularly to the development of the CLT. Member rates promoted to develop and CLT and citizen and social investor support have included: a carpenter rate of up to \$50, a community developer rate of \$250-\$500 and the Visionary rate of over \$1000. These community investment funds have been used to leverage additional capital to acquire land and loans for development finance.

A ground rent charge of \$25 per month from leasehold members is another source of revenue funding for the CLT. Over 26 years no land or homes have ever been lost from the CLT's portfolio. The ground rent system acts like canary in a coalmine as non-payment flags up leaseholder money problems and enables the CLT to intervene early.

Champlain Housing Trust Vermont and its Homeownership Centre services have led good CLT practice in the USA and they won the UN World Habitat Award in October 2008. Their affiliated consultancy service, Burlington Associates runs national CLT training programmes.

Champlain Housing Trust website is at www.champlainhousingtrust.org

Progress on the ground has been steady, and over 22 rural CLTs in England and Wales have developed affordable housing. Financing has become difficult since 2007 as a result of the collapse of the housing market and the withdrawal of lenders. To overcome these barriers, innovative financing methods have been put in place by the national CLT movement to provide pre-development, construction loans and access to longer-term finance. This report reveals the history of community-based struggle in ways that have not been well told and through the voices of many of the leaders of this new social movement for civil society led place making.

As was the case with the Garden City movements in Great Britain and in Belgium a century ago, the role of co-operative and mutual organisations was then and will in this century be strategically important for accelerating housing development, implementing democratic land management and for successful workspace development. Today new mechanisms to develop mutual assets for community renewable energy, community gardens and food growing are being developed that utilise a combination of co-operative and 'land trusting' methods. The growing number of practitioners are following in the footsteps of Howard and the Garden City pioneers that developed very large city farms, collectively owned energy utilities and co-operatively owned shopping centres.

The obvious question is: Do these creative shoots of co-operative and mutual enterprise signify the opportunity to reshape our villages, towns and cities democratically under a revived Garden City movement?

The Town and Country Planning Association (TCPA) was established in 1899 by Ebenezer Howard as the Garden Cities Association; its mission was to develop new cities of limited size to solve housing overcrowding and urban blight in ways that united the best of urban and the best of rural life. The TCPA was founded to promote Garden Cities as a practical response to meet a strategic national need for housing expansion in well-planned ways. Based on the Government's own data for England, the TCPA has highlighted recently the similar and growing challenges of today. The public sector data shows:³

1. **Population growth:** in the next 20 years the number of households will grow to 27.5 million.
2. **Affordable housing need:** 1.7 million households are currently on the social housing waiting list.
3. **Overcrowding:** over half a million households are living in overcrowded housing.
4. **Housing conditions:** poor housing costs the NHS at least £600 million a year.
5. **Housing construction:** house building in 2012 fell by 11% and to the lowest level since the 1920s. 117,190 homes (and only 50,345 affordable homes) were built against a need for more than 230,000 to be built every year to meet growing demand.
6. **Low-carbon housing:** the housing sector accounts for one more than a quarter of carbon emissions and there is a need for 'green homes'.
7. **Green space:** one in six local authorities report that their green space is declining.

The urban problems of a century ago have striking similarities indeed to those of today. The Government's National Planning Policy Framework acknowledges this and points to the importance of Garden City principles to draw key lessons for meeting the challenges ahead.

'the supply of new homes can sometimes be best achieved through planning for large scale development, such as new settlements or extensions to existing villages and towns that follow the principles of Garden Cities.'

Urban CLTs are developing in the USA today through effective public and social partnerships, so how can this methodology or similar approaches be best developed for the UK? How can both the UK co-operative movement and local authorities support civil society action and through collaboration play a strategic role to advance this agenda? With the theme of 'Back to the Future', a conference was held on 7 November 2012 and hosted by Letchworth Garden City Heritage Foundation to explore the answers to these vital questions.

3 Town and Country Planning Association (2013) Creating Garden Cities and Suburbs Today – a Guide for Councils.

In the invitation to delegates, Lord Glasman concisely summarised the challenge for the day's deliberations and the timely importance of the conference gathering.

'The issue of land reform is one of the most neglected in our politics. The consequences of enclosure over many centuries have never been adequately addressed. Our present policy is still wrapped within the framework of market and state failure, which does not engage with local community asset owning bodies such as community land trusts. 'Back to the future' will help clarify the contribution of community asset and land trust bodies to a better housing policy for the people of our country and for the redistribution of power, assets and responsibilities.'

The three key aims for the Letchworth Back to the Future conference were to:

1. Build links with developing areas of mutual land use innovation
2. Encourage the building of an integrated community of practice
3. Develop a mutual place-making agenda that can be drawn on by policy makers, communities, local government, development trusts, housing associations and others to enable community land and asset reform.

The one-day event brought together a diverse group of, specially invited leaders from a variety of organisations. Those with diverse and wide-ranging experience that attended and engaged in the debate and discussion included national experts working in the fields of community economic development, community land trusts, co-housing, co-operative housing, community food, co-operative energy, community development finance and social banking. The event provided a unique opportunity for policy makers and practitioners to share learning, to work out new ways to build a community of practice and to explore their respective solutions to pieces of the green economy puzzle. The strategic goal for the event was to work out how to unite the parts in order to help inform and guide an ambitious approach for the co-designing and co-constructing of an integrated set of mutual model(s) for the development of convivial towns and cities.

We commend this report to MPs, to local councillors, to urban policy makers and to the 'blessed unrest' of community leaders and those working on the ground to make our cities and towns more actively democratic, economically self-reliant, socially inclusive and ecologically resilient.

4. Background and the contemporary relevance of the Garden City model

Over the past twenty years the mission of the Letchworth Garden City has been revived. More recently the Town and Country Planning Association has been updating the Garden City arguments and been advocating through a campaign a return to the original Howard vision to meet the challenges of climate change; to achieve food, housing and energy security; to increase citizen participation in local governance; to expand community wellbeing; and to secure social economic inclusiveness. There is indeed a wind of change now building for rethinking and updating the Garden City model.

Letchworth – A model needed for the 21st Century

Kate Henderson, Chief Executive, Town and Country Planning Association

We have a huge amount to learn from the ideals of Garden Cities. Over the past 18 months the Town and Country Planning Association (TCPA) has been at the forefront of a campaign to get Garden Cities back on the national stage. Momentum is gaining - politically and across councils, communities and the development sector.

The Garden Cities were underpinned by a famously strong vision, and the companies that built the first worked to the ideals of the Garden Cities and TCPA. In setting this out, our founder, Ebenezer Howard, described in his 1898 seminal book, *Tomorrow*, how “the advantages of the most energetic and active town life, with all the beauty and delight of the country, may be secured in perfect combination”.

In September 2011 the then housing minister Grant Shapps, who also happens to be member of parliament for the world famous Welwyn Garden City, stated that “the scale of housing need that we now face means that we need imaginative proposals to come forward which get us back to Howard’s original ideas”.

We think this is the right approach. Over the last century the garden city ideals have proven to be outstandingly durable. Today, we still face the primary challenges confronted by early garden city pioneers: meeting our chronic housing shortage, generating jobs and creating beautiful, inclusive places. However, we also have the new challenges of globalised markets and the urgent need to adapt to and mitigate the effects of climate change.

Government, councils, communities and developers are also starting to support this idea. In a speech in November 2011, the deputy prime minister called for Garden Cities and suburbs for the 21st century. This speech builds upon the Prime Minister’s support for Garden Cities announced in March last year; recognition of the Garden City principles in the Government’s new planning framework; and support for ‘locally planned large-scale development’ in the Housing Strategy launched in November 2011.

With this strong reference towards these principles emerging in the coalition government’s policies, we believe that it is worth re-examining the original vision; Garden Cities combine the very best of town and country living to create healthy homes for working people in vibrant communities. The Garden Cities were also fired by a sense of idealism and enthusiasm, with numerous voluntary organisations. Today, we can go further.

The potential to create new Garden Cities and Suburbs as modern, healthy and desirable living and working communities is immense. However, there is no 'silver bullet' solution to unlocking the potential benefits offered by new Garden Cities and Suburbs today. A Garden Cities and Suburbs Expert Group convened by the TCPA identified the need for urgent action in five principal areas, to address barriers to the development of a new generation of world-class communities – these include:

1. Leadership, vision and governance
2. Unlocking land
3. Investing in infrastructure – balancing risk and reward
4. Planning ahead
5. Delivery and implementation.



The Expert Group highlighted that creating Garden Cities can provide the opportunity and the economies of scale to truly fulfil the ambitions of sustainable development by delivering multiple benefits including social housing, zero carbon design, sustainable transport and local food sourcing. New communities also offer a powerful opportunity to introduce governance structures that put people at the heart of new communities and hand over ownership of community assets.

With this strong narrative emerging from government we are currently presented with a unique opportunity to shape the future of the nation. There is no doubt that we will build new homes, but the challenge is whether we have the determination to leave future generations with a legacy of beauty and durability which truly meets the challenges of the 21st century. Partnerships between all levels of government, developers and communities will be crucial to realising this ambition.

Letchworth Garden City – Past and Present

John Lewis and David Ames – Letchworth Garden City Heritage Foundation

Letchworth Garden City is the world's first Garden City and a living example of a reinvestment model, which utilises a long-term view, incorporating community ownership, linked to private enterprise.

Letchworth was created following the publication of Ebenezer Howard's 'Tomorrow: A Peaceful Path to Real Reform' in 1898, which extolled the importance of a reinvestment model as a response to the poor housing conditions, where no value to the community was accrued from increasing rent.

Within 5 years, Howard had formed a private company, First Garden City Limited, which purchased the 5,500 acres in North Hertfordshire, created a master plan and works were underway on the Garden City. This by any standards is an amazing achievement.

The Letchworth site was selected using Howard's criteria in terms of site size, location, and proximity to London and accessibility to the rail network. This model leads to housing, employment, leisure and agriculture being delivered by way of a series of satellite towns, around a large conurbation, providing an opportunity to combine the best of town and country.

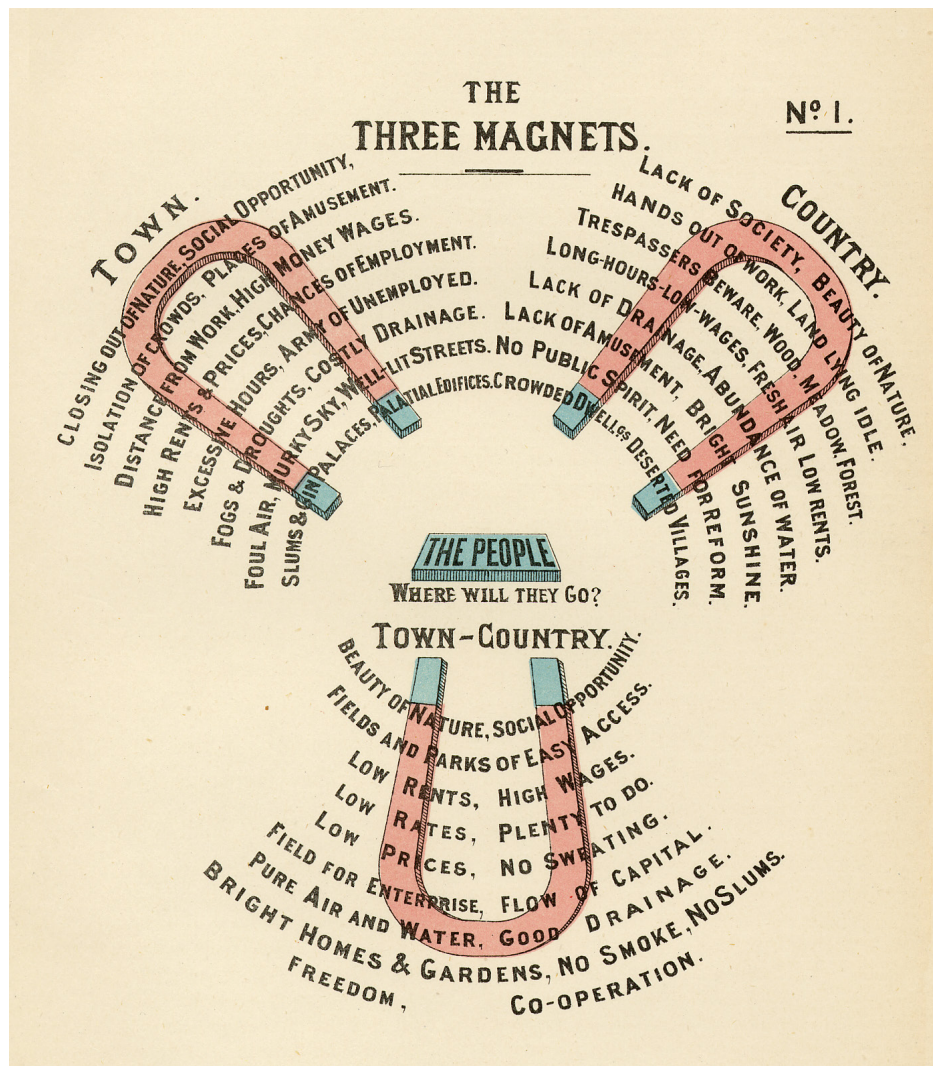
Howard sought to secure enhanced land value secured in the long term, for reinvestment back into the local community. This resulted in shares being issued to owners of land, the proceeds of which were retained in the town, as part of a long-term pay back and investment plan.

Property speculators threatened this in the 1960s, which resulted in the creation of the Garden City Corporation. This, in 1995, became the Letchworth Garden City Heritage Foundation.

Unlike other Garden Cities and New Towns, Letchworth has retained its social ownership model, which means that the Heritage Foundation is a self-funding charity that works for the long-term benefit of communities in Letchworth.

The Heritage Foundation's assets are approximately £127 million and there is an annual endowment income of approximately £7.5 million. This income is used to administer the Estate and asset management and approximately £3.3 million is invested back into the community, thereby sharing year on year the added value generated by the trust.

The community ownership of the Heritage Foundation includes 30 Governors who are elected by way of local elections, nominated by local groups and societies or appointed by the Heritage Foundation to provide specific skills or expertise. There are 9 Trustees who are selected by the Governors and a District and County Councillor, to ensure that our local authority partners are represented.



Today the Heritage Foundation:

1. Administers a Scheme of Management, which helps preserve the character and quality of the greater proportion of homes;
2. Provides a Day Hospital for the benefit of local residents and employees at no cost to the NHS;
3. Operates a free mini bus service for groups and individuals who are less mobile;
4. Manages a range of social enterprises including a museum, an independent cinema, a family educational farm, a tourist information centre and a community hub, where local groups can meet free of charge;
5. Secures the stewardship of our farmland; and
6. Continues to give both small and large grants, within our charitable commitments.

This capability is as a result of taking the long-term approach of reinvestment, originally advocated by Howard. It is our view that our experience in Letchworth forms part of the solution to today's growth requirements, where community land trusts and other community ownership models can play an integral role, as is the case with Letchworth.

5. Land stewardship and the capturing of economic value for community benefit

In his *Principles of Political Economy*, John Stuart Mill made the case for the steady implementation of practical land reform to benefit all citizens. Additionally a large section of this standard economics textbook in the nineteenth century makes the case powerfully for developing economic democracy progressively in order humanely and equitably to govern both the local and national economy. Mill indeed set out the case for this to happen through support for a growing proliferation and an expanding network of producer co-operatives. He summed up his co-operative economy vision succinctly and shortly before he died.⁴

'The social problem of the future, we consider to be, how to unite the greatest individual liberty of action, with a common ownership in the raw material of the globe, and an equal participation of all in the benefits of combined labour.'

Mill's arguments and the growing Co-operative sector a century ago inspired the progressive thinking of the Garden City pioneers.

The Garden City and Economic Rent

Robin Murray, Visiting Professor, London School of Economics

Ebenezer Howard was both a visionary and pragmatist. In *Tomorrow: A Peaceful Path to Real Reform*, he set out his vision of a Garden City briefly in the first 20 pages. The bulk of the book is about the practicality of that vision, how it is to be administered and paid for. Underpinning his proposition on financing – which is a vision in itself – is a theory of economic rent.

The source of economic surplus and its distribution had been the subject of intense political debate in the late 19th century. The main focus of the debate had been on capitalist profit. For Marxists this arose from the exploitation of labour, and could only be socialised through the collective ownership of the means of production. The co-operative movement set out to show this in practice. As the Rochdale Pioneers put it, instead of capital employing labour, labour would employ capital.

Rent offered a different route into the question of surplus. It marked a political as well as a theoretical shift. The American Henry George, who published *Progress and Poverty* in 1879, provided the intellectual spark. In Britain the book had a strong influence on liberal opinion. A Land Nationalisation Society was formed. Micro colonies based on George's single tax principles were set up. The Liberal Party promoted the idea of land taxation in terms of a strike against the relics of feudalism. Bernard Shaw, who had been inspired by George when he heard him speak in London in 1882, based early Fabian economic policy on rent as an unearned surplus. He argued that the job of the state was not to get involved in production, but ensure the social redistribution of wealth generated in the private economy, with a tax on rent as a primary target.

⁴ John Stuart Mill (1873) *Autobiography*.

Howard's plans, and much of the early support for his Garden City ideas, should be seen in this context. Howard himself had been much influenced by reading Henry George, and by earlier advocates of the common ownership of land such as Thomas Spence. They provided the basis for the equation that lay at the heart of *Tomorrow*: $V+LR+D$. Value (V) would be increased as the result of the detailed social and environmental ecology developed in the Garden City. Land rent (LR) would rise as a reflection of this increase in value. Democratic (D) control of the freehold would ensure that this rent was captured for the benefit of the town's citizens.

Reclaiming the Commons – The Co-operative Movement and Land Value Taxation

Land is part of the global commons like water, air, language, knowledge and culture. The loss of commons land continues to increase with the demise of county farms in recent years and the growing sales of public sector land to raise money to close the growing fiscal deficit. Today two thirds of the UK's 60 million acres is owned by just 158,000 families or 0.36% of the population.¹ Land reform struggles have a long history. Land became a growing political issue in the 16th and 17th centuries in the face of a first wave of enclosures and intensified in the late 18th century as the enclosure of common land gathered pace. Gerard Winstanley and the Diggers were early pioneers of democratic land ownership in the mid 17th century. In 1775 Thomas Spence, the son of a shoemaker and from Newcastle-upon-Tyne, proposed his own version of an alternative in a pamphlet 'Property in Land, Every One's Right' which inspired Ebenezer Howard. Spence argued that local parishes should own all land democratically and that rents collected should be used first to provide support for those unable to work and second to be shared to meet the needs of children and local residents equally. Spence called his solution the Parish Land Trust and this reform became known in the nineteenth century as Spence's Plan and the advocacy spread.

Land reform and mutualisation were at the heart of the principles and practices of the 19th century Co-operative movement. Indeed the mission of the first Co-op shops was to use surpluses to buy land to meet member needs affordably. The Chartist Land Company grew out of this co-operative society mission. Local co-operative societies used their surpluses to acquire sites that were used to develop the first housing co-operatives in the late nineteenth century. American land reformer Henry George was active in the co-operative movement. His proposal for land taxation through a Single Tax was aimed at encouraging the steady and peaceful transfer of private land ownership for securing the substantial economic benefit and social security of the vast majority of households and businesses. Along with Spence, the Co-operatives, the early building societies, the Chartists and the followers of Henry George pioneered this growing movement of land reform practice and stewardship. All these precedents gave Ebenezer Howard the confidence to develop the Garden City model. The potential rubbed off on national government a century ago. Indeed just six years after the founding of Letchworth Garden City, Lloyd George as Chancellor with the active backing of Winston Churchill as trade minister introduced the famous People's Budget of 1909 that included a land value tax inspired by Henry George and set at 20% on any increases in value when land changed hands. This attempt by a Government to redistribute wealth to the people through land reform led to a twelve-month battle in Parliament. In April 1910 the land tax was dropped after the first House of Lords veto of a Government budget in two hundred years.

¹ Kevin Cahill (2001) *Who Owns Britain*, Canongate.

Where Howard differed from George and Shaw was in his conviction that this could be achieved more rapidly through collective self-organization rather than via the state. Shaw thought that Howard's plans would never work. Those with the capital would never allow it. He imagined a manufacturer responding to Howard's proposal: "To be frank, it seems to us that so far from your being in a position to dictate to us, we are in a position to dictate to you. You cannot make your Garden City without us: we can make it without you". Howard disagreed, and one of the fascinations of the history of Letchworth is how far his theory of rent stood up in practice.

The answer is, remarkably, that it did. Howard has taught us all the importance of asking: 'Who owns the freehold?' Community control of the freehold was the prime principle of the Letchworth economy, and was adhered to. It was coupled with the revision of the rent-rates paid by the leaseholders to take account of increases in land values. For Letchworth Howard proposed 999-year leases, with revisions of the improvement rate every five years. The difficulty of raising the initial capital, and of attracting the early households led the Directors of the First Garden City Company to tone this down (to revisions every ten years). But they insisted on a second option of a 99-year lease with no revisions. Most new residents chose the latter. So Howard's second principle was postponed but not abandoned.

What Howard had not anticipated was that a Labour Government would change the law on leasehold. Its Leasehold Reform Act of 1967 gave leaseholders the right to buy the freehold, and the bulk of Letchworth's residents not in social housing have exercised this right. This does not invalidate Howard's principles, but it has severely reduced their effectiveness.

Where the freehold principles have held up are in the industrial and commercial section of the town. Here the rent reviews are more frequent, and together with the farmland, they are the primary source of the £7 million income now received annually by the Letchworth Foundation. Howard's firmly rooted tree has born its fruit.

Letchworth has also answered Shaw's objection. Once a local labour force was in place, industry did come to the town, and has continued to do so. They may not have depended on Letchworth as much as Letchworth depended on them, but individually they found it attractive to come there.

Raising the initial capital was more difficult. The dividend cap and the asset lock, both of which survived for nearly 50 years, meant that the town depended on social investors (including Bernard Shaw, who once Howard went ahead, invested heavily in both Letchworth and his second project in Welwyn). As a result Letchworth was severely under capitalized for a project whose income was slow to build, however promising in the long term. But it was not starved. Mission driven finance did come forward.

The case for Howard's approach to land rent is still strong. Over the past 20 years the real value of land for housing has risen four and a half times faster than retail prices. The introduction of a planning regime for land uses (inspired strongly by the Garden City movement) means that a change of use can yield an immediate increase in land values, which in turn can help raise capital for building social housing.

But for wider projects, Letchworth's experience suggests that incremental land value alone limits the surplus that can be mobilized for expansion. It takes time to generate. Predators can attack it. And it can be caught, often unintentionally, in the grinding wheels of public policy. But how to supplement it was the critical question?

Howard, like Shaw, was wary of shifting into the field of production. For him, the task of the social landlord was to create what would now be called a platform. There is land and an overall structural plan for the town, as well as basic infrastructural services. But the housing, the industry, the farming and allotments, and what he called the pro-municipal enterprises would spring up with their own character.



The Co-op Shop at the heart of Letchworth Garden City

Today we would describe Howard's approach to the Garden City as an emergent system, in tune with much of contemporary green thinking. *Tomorrow* depicts a local, circular economy. The farms would provide food for the town, and the town would recycle its sewage back as fertilizer for the soil. This would cut traffic, as would the provision of local jobs for the citizens. He hoped that building societies and a local bank would emerge,

lending money for future residents to build their houses, and recycling their interest payments back into further development. He didn't suggest a local currency, but it would be in keeping with his vision.

But the problems of funding such a platform remain. And here the focus on rent was constraining. Letchworth couldn't sell a portion of its freeholds like a private developer, though this was discussed as an option. It did not seek to capture the surplus from the commercial opportunities opened up by the town's development, other than through the terms of the leases. It had to rely on its rent.

There is something in the concept of rent that underpins this approach, for it highlights issues of distribution not accumulation. In Howard's overall vision, rents were seen exclusively as a source for social provision, not Garden City expansion. There were no plans for Letchworth to establish a sinking fund to finance its replication and the complex of 'social cities' Howard describes towards the end of *Tomorrow*.

Letchworth was not developed as a co-operative, though it was conceived in a co-operative spirit, and a century later is managed by a co-operative Foundation. In contrast to Letchworth, other parts of the co-operative movement have found ways of generating their own capital, which has allowed them to build houses and buy farms on a scale that is still underestimated. They are examples of a practical economics of co-operative accumulation.

What they haven't had is Howard and Letchworth's plan for a co-operative town, or even a neighbourhood. Nor is there a full enough appreciation of the role that rent can play in financing co-operative development. These are two of Letchworth's lessons, as well as the extraordinary quality of persistence in realizing a vision that took many decades to come to fruition. Its experience now has particular relevance. At a time when an increasing number of Local Authorities are transforming themselves into Co-operative Councils, there is an opportunity to bring both traditions together and revive Howard's vision of a democratic Garden City in a new form.

Community Land Trusts and Why It Matters

Lord Maurice Glasman

As an employee of London Metropolitan University I have taken about four years off work in violation of one of the golden rules of Community Organising, which is that you always end up working for the people that pay you. That does not lessen in any way, however, the importance of the promotion and development of Community Land Trusts as a constitutive part of the new political settlement and consensus that has followed in the wake of the failed state and market approaches. It is a mutual obligation to build it and to see how it strengthens the general agenda in important ways as it embodies core virtues of a system that will be different and better.

The first aspect of Community Land Trusts is that it addresses a very old issue of Land Reform and the redistribution of property. Ever since the Norman Conquest and the forcible seizure of the Land and then through enclosures where freehold ownership trumped customary practice and then with the imperial generalization of the domestic system there has been a relentless dispossession of people from their homes and a concentration of property ownership. The idea of a home in the world and for the redistribution of power and assets (rather than a mere concentration on money transfers and programmes) is the great possibility. This is a fresh opportunity, arguably opened up by the austerity agenda, and points us towards a hopeful perspective to struggle for something different and better.

Community Land Trusts enable the freehold to be held in common by the Trust, the institution, and there is a shared form of lease holding in terms of individual ownership. Both individual autonomy in terms of the shared owning of the asset and the dependency on others for the preservation of its value, in monetary and civic terms, are present. The area of the Trust is not a neutral space but a mutual space. It is neither state nor market, though each plays a role, but is something held in common. In that way Community Land Trusts are an autonomous institution, part of the civic life, with interests and amenable to organisation in pursuit of those interests.

Community Land Trusts are part of an institutional change concerning the use of endowment to promote land reform and house building. There is ten billion pounds worth of public land being sold off by the government in parallel to the cuts. There are many reasons for thinking that this is the most fruitful area of resistance. The sale of the forests and allotments was opposed and reversed. The further reason is that taking away the freehold price halves the price of property. In terms of community land trusts which would be endowed by the state or local authority 'in perpetuity for the people of that place in trust for the nation' would enable leasehold house building within a shared freehold structure.

The Industrial Areas Foundation in the building of 'Nehemiah Homes' pursued Community Land Trusts, with extraordinary results in East Brooklyn. Without freehold costs house building would become affordable, the local skills developed and a redistribution of land and assets, both individual and shared, to people who are dispossessed and without assets. The Great Recession, as Wolfgang Streeck calls it, is most morose in the construction sector. The endowment of the land to the people would be one form of stimulus as it would make the generation of the money necessary for build houses possible at a local level.

This is not only applicable to housing but to public assets as well. Dover Port, for example, is owned by the Government and leased to Dover Port Authority, which is now a private company and there was a plan to sell it to another private authority as a freehold entity. This formed part of the portfolio rationalisation made necessary by the deficit. Thanks to a successful local campaign against privatisation, the Government refused permission for a sale to a private buyer in December 2012. As an alternative, Dover Port could be endowed to the people of Dover as a community land trust and could be governed on the CLT corporate model of a third funders, third workers and a third the people of Dover. Their vocational college could specialise in travel; maritime, train and motor based, and could be funded partly by the Kent County Bank and Union funds as in the restructuring of Chrysler in Detroit. The White Cliffs may yet again represent defiance and hope for the working people of England. As it stands the citizens of Dover are tenant farmers in their own city.

And there is the point about organizing and political action. In order to put pressure on the Government, and the Opposition, to pursue this agenda it is necessary to select land sites, raise money to employ an organiser, and I refer you to Dave Smith at Citizens UK who is the best I know, actively engage and enrage people who want an affordable home, near their parents or their children, or their work, where they can't afford it and to put pressure on politicians, local, regional and national to recognize their legitimate claim. Land that is going to be privatized is a prime target. The raising of local money, the engagement of local business is all part of this story if it is to succeed. Without organized communities demanding the land transfer, this will not happen because the benefits of monetization will outweigh any other considerations. We need to support the Peoples Port in Dover, Gloucestershire Land for People (the CLT in Stroud) and we need to generate many more.

This is a matter of central political and ethical concern to me. It relates to the common good, the redistribution of power and property, civic renewal and the desire for a home in the world. So please think about leading local action to target a site and an owner and engage with self-interest to generate new local leaders from outside the normal channels who simply want to own their own home and have a piece of land. Try to talk to people who you may think of as having nothing in common with you. They too may have been dispossessed and become a real neighbour to you, with interests as well as aspirations to live a life in common. We should support communities throughout the UK to move these opportunities forward.



'Ecological Land Co-operative'

Case Study 3: Cashes Green Community Land Trust in Stroud

Cashes Green Hospital, Cainscross, Stroud, Gloucestershire is a Homes & Communities Agency (HCA) owned site which is set to become an environmentally sustainable development that will be part-owned and managed by a local Community Land Trust (CLT) set up for this purpose. Partners in the project include HabOakus (Hab, development company and GreenSquare Group); Gloucestershire Land for People (GLP) – the county’s umbrella community land trust; and the HCA. The HCA obtained outline planning consent and then advertised for a developer to work with a CLT umbrella, purchase the site and build the scheme. HabOakus was chosen and with GLP set up a Local Partnership Board comprising local interests and stakeholders. This group agreed a Project Initiation Document to guide the development and monitored its implementation. It also acted as a recruiting ground for the proposed local CLT whose first Board meeting was in April 2012. A planning application was submitted in April 2011 by HabOakus to develop the site. This was shaped by months of consultation with local residents, community representatives and local groups in Cashes Green. When complete in mid-2014, the development will contain 78 new homes. Half will be affordable, owned by the Cashes Green Community Land Trust and leased for management and maintenance to the GreenSquare Group. Alongside there will be play space and allotments. It is the first time such a model of community-owned housing has been used on a HCA site.

Ian Crawley, Gloucestershire Land for People

6. Developing Community Land Trusts in Britain's cities

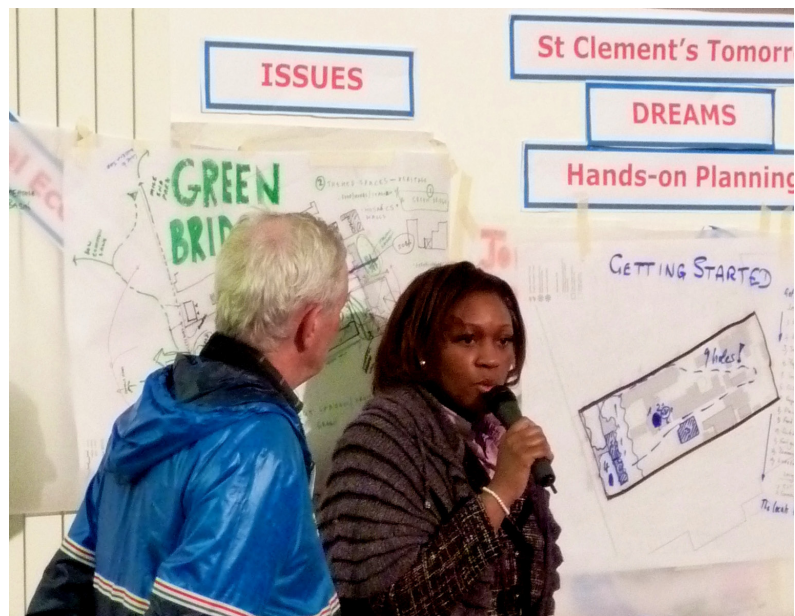
Rural CLTs have proven easier to get going both in the UK and to some extent in the USA as land costs are often lower and sites more accessible outside of cities and large towns. In the USA the emergence of City-CLT partnerships is now advancing CLT action for affordable housing and urban regeneration. This approach is not yet on the public policy map in the UK. It needs to be, as demonstrating how this approach can work is crucial for tackling the affordability crisis in cities, both here and in other areas of Europe. Community land trusts development is now emerging in Belgium and in Canada. There is also an enormous potential to combine CLTs with forms of co-operative shared ownership of housing that draws on lessons from Scandinavia where in a number of countries some one in five homes are co-operatively owned and managed. The Welsh government sees this potential and has instigated an emerging and experimental national programme in mutual housing innovation that other parts of the UK could learn from.

The challenges to developing CLTs for urban land stewardship

Catherine Harrington, National Coordinator, National CLT Network

Challenges, while they can make life interesting, are mainly designed to be overcome. That's exactly what several pioneering urban CLTs are doing and with exciting prospects for communities in our cities.

Without a doubt setting up a CLT, whilst it is an exciting opportunity, can be a truly daunting task. All CLTs, whether they are urban or rural, share common challenges: the challenge of accessing land at an affordable cost, the challenge of bringing along and maintaining volunteer and community support, the challenge of accessing technical support and advice and the challenge of accessing development finance, all of which the National CLT Network and the CLT movement have made significant strides in addressing.



Local residents and CLT Members having their say at one of several community planning days in East London.

Urban CLTs in the UK have historically faced additional challenges beyond those experienced by their rural counterparts, making their success less likely even whilst the results can be even more remarkable. Urban CLTs need to navigate more complex political structures, often have to compete with other housing providers for sites and have to contend with either very high land values in our major cities or, in former regeneration areas, very low land values that threaten the viability of projects. And even if they manage to overcome these challenges, urban CLTs still face the threat of Leasehold Enfranchisement, undermining the key advantage of the CLT model as CLT homes risk being lost to the open market as opposed to being retained as permanently affordable housing.

But communities in our cities are not frightened by a challenge. Instead, with true heroism, they are facing them head on and with real flare. East London CLT, through a masterful grass-roots campaign fostered by London Citizens, managed to turn the CLT model from something that was unknown and exotic into a recognised and inspiring model that Mayor Johnson has pledged to see flourishing across the capital. Homebaked CLT in Anfield, Liverpool, with its roots drawn from the youngest members of the local community has captured the imagination of all, including the media, and will be very soon realising its ambitions to revive a local bakery and refurbish the neighbouring homes.

The reason for this perseverance is because the case for CLTs in our cities couldn't be more obvious to the urban communities themselves. The housing affordability problem in our major cities is particularly acute. This is particularly true in London where overseas investment has distorted property values in many parts of the city. Changes to housing benefit will result in even more displacement of lower income households within the capital. A similar situation in the 1960s led the Government to support co-ownership projects to enable key workers to remain in the city, recognising the value they brought to urban social and economic life. Similar initiatives are needed now and the shift is being led by citizens themselves.

In other cities, particularly in former Housing Market Renewal areas, the issues are with abandonment and dereliction. Members of these communities want to take back control and be part of a more fine-grained solution to regeneration, which builds on existing cultural, social, economic and physical assets rather than starting from scratch.

The perception of CLTs in England as a rural model is ripe for challenging. It is clear that CLTs can offer a viable solution to the economic and social challenges of urban development and housing supply, across a range of urban contexts. That this model works in a variety of circumstances, not just the most favourable, is attested by the primarily urban context of our sister movement in the USA.

In order to secure a shift in perception, we need to bring forward a set of replicable delivery models on the ground. That is why the National CLT Network is currently proposing to funders for an Urban CLT Project. This will see the development of 20 demonstration projects and delivery of permanently affordable homes, and will give vital confidence to local decision makers, investment and delivery partners and to communities that CLTs can thrive in our cities.

The future for CLTs is bright, but to do so it also has to be urban!

Barriers to community land solutions in cities: Where do CLTs fit in?

Dr. Bob Paterson, University of Salford Community Finance Solutions and Steve Bendle, Community Land and Finance CIC

Community Land Trusts (CLTs) are not a new concept, but they are enjoying a recent revival. As a means of providing small-scale community-led housing and other community owned assets, they build upon a rich tradition of common ownership.

Inspired by the success of the CLT movement in the United States, Community Finance Solutions at the University of Salford launched a demonstration programme in 2006/7 across England and were able to help CLTs get practically started, to provide them with the tools to succeed, and to influence national policy. Three years' later, they were being championed by the three main political parties, and there are now 120-130 CLTs which have been registered, planning, built or managing low cost rental or part ownership homes.

If CLTs are to grow in number and reputation, particularly in urban areas, they will have to show they can achieve local policy objectives and how they can assist in the process of civic renewal in partnership with organisations they overlap with, including Local Authorities, Registered Housing Providers and the Development Trust movement. Here is the case for arguing that the CLT model advances these goals but also has a distinctive contribution to make.

Durably affordable housing for all

In England, as in the US, CLTs are committed not only to making housing affordable for income-eligible households, but also to maintaining the affordability in perpetuity and/or ensuring that any capital receipts are recycled within the local community. The focus of CLTs to date has been on creating a range of affordable housing products, modelling 'affordability' against very specific local information. CLTs can be particularly significant in rural areas in the drive to rescue villages from a slow death described by Matthew Taylor MP in his 2008 review of rural problems.⁵ In urban areas they can help secure a sense of ownership of the future of a community by providing small-scale community-led housing solutions.

Fighting asset price inflation

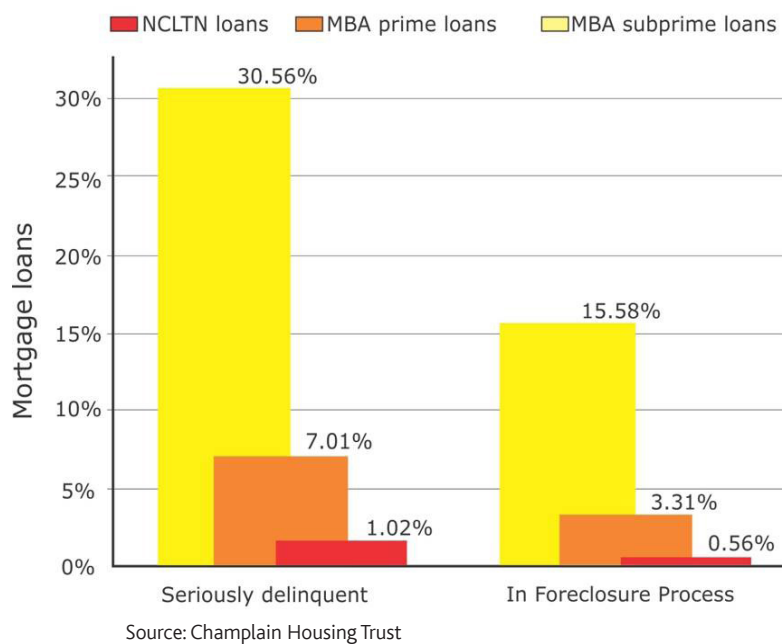
Land and house price inflation are the enemies of sustainable communities and affordable housing. The current boom and bust and its damaging consequences for investment, savings, jobs, and housing will simply happen all over again, and mechanisms have to be found to mitigate this. CLTs can do this by holding land value out of the market which, if combined with innovative financial mechanisms can provide a resilient community asset ownership model.

⁵ The Taylor review of Rural Economy and Affordable Housing, Living Working Countryside CLG, July 2008).

Genuine value for money locked into local community control

CLTs can be compared to housing associations, which are the traditional affordable housing providers. Given the likely reduction in public grant and the increasing emphasis on self-provided housing, the current mainstream model of producing affordable housing is unsustainable. CLTs provide complementary and supplementary provision in areas where there is a need. In addition they can provide the extra security of being backed by the local community, which can result in discounted land, labour and other value being locked into the local economy. Data from the USA shows the vastly lower levels of mortgage arrears and repossession rates – both in relation to the sub-prime market but also notably in relation to the prime mortgage market see illustration below.

CLTs in Volatile Housing Market (USA)



National Community Land Trust Network (USA) and Mortgage Bankers Association (MBA) data for mortgage delinquency and foreclosure, 4th quarter 2009

Place making – more than just housing

CLTs do more than create affordable housing. They can also deal with issues of employment, food security, local amenities, and renewable energy. All of these are essential to deliver the community wellbeing outcomes. CLTs can especially contribute to the regeneration of communities by providing not just affordable housing, but by fostering community centre-based businesses and giving new life to redundant buildings and land to secure important landscape, ecological and practical value.

In urban communities residents are demanding a bigger stake in deciding the future of their neighbourhoods. They see themselves as joint leaders and sometimes as joint owners, in local regeneration strategies. They expect to benefit from rising local land values. Tenant-led initiatives are now a standard part of the renewal process: and this can be expanded to encompass CLTs and other community-led housing products including Housing Co-operatives.

Empowerment

Finding “talent and ingenuity” is not the problem. William Beveridge’s original challenge⁶ for the welfare state was that citizens should be enabled to take “private action for social advance.” After 60 years of waiting, it is finally time for the State to be courageous, allow for failure, celebrate and nurture its social innovators, and be a true enabler.

CLTs enable citizens to work and live together, meeting local needs in a socially active setting, grounded in sound traditional systems of long-term land and property ownership and management. CLTs are not a risky or optional luxury: they are a part of an emerging movement of citizen action that is now a necessity to embrace.

Case Study 4: Cornwall Community Land Trust – a Countywide Network Model

Cornwall has become a pioneer of effective Community Land Trust practices. The need is overwhelming in the county, with on the one hand few large employers and most locals needing to juggle one or more low paid jobs and on the other hand, a relentless pressure on house prices due to rising numbers of retirement homes, second homes and holiday homes. The dysfunctional nature of the county’s housing market helped fuel interest among local councillors a decade ago in Community Land Trusts. What has emerged from this interest is a unique public-social partnership between local residents seeking to develop CLTs, the County Council as a unitary authority with its statutory obligations and Cornwall Rural Housing, a small housing association with a community asset ownership mission. This partnership has become so practical and strategic that it offers key lessons about creative community land stewardship collaboration for city politicians and officers to take note of. Cornwall CLT is an umbrella CLT for the entire county. Local residents are free and indeed are helped to form their own local CLT if this is their preference. But where there is housing need and public or other low-cost land available, the Cornwall CLT can carry out development on its own for the community. All local CLTs are encouraged to join Cornwall CLT as partners to access housing development expertise and low-cost finance. A revolving loan fund for early stage work and construction financing has been set up to support CLT projects. Capital for the fund has been provided in grants from the County to make pre-development loans at zero percent interest. The County through the Public Works Loans Board has raised additional capital for the fund to finance low-cost construction. The CLT development manager works under contract for Cornwall Rural Housing. Rental units in a mixed tenure-housing scheme are developed with this Housing Association partner and shared equity units are developed for sale, either for the umbrella CLT or local CLTs. These affordable homes for sale have been developed at 50% to 70% of open market value. 105 rural CLT homes have been developed on 12 sites in recent years.

⁶ The Welfare State of Britain was the result of the William Beveridge Report in 1942, which identified five ‘Giant Evils’ in society: squalor, ignorance, want, idleness and disease.

City-Community Land Trust Partnerships

In urban locations, there are excellent examples of partnerships between the committed communities and the city authorities, which have produced innovative and highly successful outcomes.

In the US, municipal authorities in many places with no other solutions to hand which might reverse the flight from city centres have decided that the transfer of vacant land and property to CLTs is worth trying. Highly successful outcomes such as Champlain CLT in Vermont have resulted in the city of Burlington securing a thriving community track record including market and affordable homes to rent or part own, shops, business premises and community spaces. Coin Street Community Builders in London, who took transfer of land south of the Thames for £1, was a continuum with long term community activism which took advantage of the GLC's wish for a legacy on its abolition: the area now hums with activity including affordable co-operatively managed homes, restaurants, workspace and open space around the Oxo tower – a new quarter of London. Letchworth Garden City stemming from Ebenezer Howard's vision in the first decade of the 20th Century still has its Heritage Trust earning £7.5m annually from business and ground rents that it re-invests in the Letchworth community.

Case study 5: City-CLT Partnerships in the United States

Since 2000, the leading edge of CLT formation in the United States has been municipally sponsored community land trusts. Towns, cities, and counties have used municipal powers like inclusionary zoning, municipal dollars raised locally or passed through from the federal government, and even municipal employees to seed and support CLT development within their jurisdictions.

Municipal acceptance of CLTs was a long time coming. In 1982, for example, Rodale Press published *The Community Land Trust Handbook*. CLTs had been around for a dozen years by that time, but their dealings with local government were grudging and few. As the Handbook observed, "Most interaction between CLTs and municipal officials has been marked by benign indifference, with neither party doing more than is minimally required to meet whatever legal obligations each might have with regard to the other."

By 2008, the picture had changed considerably. As noted by the Lincoln Institute of Land Policy in a report published that year and entitled *The City-CLT Partnership*, "Over the past decade, a growing number of cities and counties have not only chosen to support existing CLTs but also to start new ones, actively guiding their development." In places like Albuquerque (New Mexico), Burlington (Vermont), Chicago (Illinois), Irvine (California), Portland (Oregon), and Syracuse (New York), indifference had given way to advocacy.

Municipal support for CLTs has been prompted by a number of factors, but none more influential than the model's demonstrated success in preserving the affordability of publicly subsidized, privately owned housing when real estate markets are hot and preventing deferred maintenance and mortgage foreclosures when markets are cold. Stewardship is what a CLT does best, especially when working in partnership with a local government to prevent the loss of housing (and other community assets) that the municipality has helped to bring into being.

John Emmeus Davis, National CLT Network (USA)

On a smaller scale the collective power of London Citizens has secured a mayoral promise for the transfer of assets from the St Clements Hospital development to East London CLT. Not far away, the Olympic Legacy CLT currently being scoped is proposed as a means of providing a new community spirit. In Leeds, LILAC's innovative straw-build mutual home ownership model has secured a site from the council (at a favourable price) and a grant from HCA. In Bristol, the planning authority provided the flexibility needed for the self-builders at Ashley Vale to put up their eclectic mix of low cost, sustainable buildings and create, in a forgotten corner of the city a highly attractive social and physical environment. Urban CLTs in progress elsewhere in Bristol and in Cherwell District north of Oxford involve smaller scale developments and rely on self-build and self-finish elements aimed mainly at younger people in work, to make their approach distinctive.

Rural CLT schemes are proceeding more to a pattern. Their ingredients for success include strong leadership (often over a long period), strong – eventual – local authority support, low cost land availability, HCA grant and backing from social banks (with targeted finance available for CLTs from Charity Bank, Triodos and The Ecology Building Society).

In an urban context, these same ingredients are needed but are harder to bring together. In 2008, Community Finance Solutions sought to facilitate a group of major urban regeneration schemes in eight large English cities, to be based on the creation of CLTs by the transfer of property from local authorities or housing associations. None proceeded: either because the property transfer to an untried organization was seen as too risky, or the landowner simply decided it was not prepared to lose control, or because the effort was not put in to engage the community.

The biggest opportunity for the expansion of City-CLT partnership is as a community reinvestment vehicle in new Garden Cities or eco-towns on the model of Letchworth, Coin Street or Champlain. Freehold ownership ensures reinvestment of surpluses in additional social goods as debt is repaid and, workspace, community provision, food growing, open space and housing can all be effectively integrated. Smaller scale schemes on a range of models can also contribute to the urban fabric as the examples show.

The transfer of land is the common requirement. CLTs on both large and small scales have shown that they can add value in either case. Large land holdings exist too, including land held by HCA (some from miss-directed "housing market renewal") and by some land-rich local authorities. The opportunities exist and require only a decisive move to trust in the CLT governance model and to provide or facilitate the necessary initial revenue support.

Sadly cautious public sector landowners and planners may not make the leap of faith to back the model and let it deliver its potential. If so, major opportunities will be lost to help make our cities the vibrant and integrated communities that can be such attractive places to live.

What is next?

CLTs are moving from a small group of pioneers to the beginnings of a sector. They have punched above their weight in influencing public policy - taking advantage of the current political consensus in favour of community-based development. They have built on and revived traditional notions of co-operation, community spirit and self-help in order to improve society and help those who are in need. The story so far shows what can be achieved in rural areas but although there are many barriers and hurdles to be overcome in urban areas, the exemplar schemes now under development in London, Leeds, Bristol, Cherwell in Oxfordshire and elsewhere will give confidence to policy makers and others that there is very good potential for CLTs to flourish and become commonplace in the cities of this country.

Case Study 6: Community Land and Finance CIC

Community Land and Finance (CLF) was set up as a community investment company (CIC) to promote and support Community Land Trusts (CLTs). A frequent obstacle has been that CLTs can only borrow against rental income sums that are significantly below build costs - even if land is free. To tackle this, Bob Paterson explored with finance providers the scope for: (a) lending over a longer period (up to 40 years) and (b) a repayment profile rising with inflation, as rental income does. The response was positive in principle but negative in practice with a minimum sum of £10 million for such finance and a maximum investment per investor of 5%.

Using the same principles CLF decided to create its own fund to develop the market. After CLF became a CIC, it joined social enterprise consultancy Resonance. Big Society Bank and Esmée Fairbairn Charitable Trust (EFCT) agreed jointly on £3m of investment and in 2013 the first loans were made. CLFCIC lends for 9 years: the loan can then be refinanced conventionally for a further 25 years. CLFCIC loans are based upon 17 times net rent compared to the norm of 12 times via conventional routes. Loans for self-build and highly sustainable build methods are part of the mix. Development finance is provided as well.

Alongside this work, Resonance, through the efforts of Daniel Brewer, had been simultaneously creating a product to underwrite Community Share Issues (CSIs) This second fund enables an immediate capital investment where a CSI is heading towards raising the funds but needs more time. EFCT agreed to create the fund, which has been placed within CLFCIC. Renewable energy projects are among those supported by this fund.

CLFCIC will grow both these funds and look at providing other social financial solutions.

The Garden City Movement, Co-operatives and Mutual Home Ownership

David A Rodgers, President ICA Housing and Rhidian Jones, Head of Affordable Housing, Department for Housing and Regeneration, The Welsh Government

There are close links between the development of the Garden City movement and the Co-operative movement. The founder of the Garden City movement, Ebenezer Howard's vision for Garden Cities was for the land to be co-operatively owned. In the late 1890's and early 1900s the first Tenant Co-partnership housing co-operatives in the UK, whose founder, Mr Benjamin Jones was the London Manager of the Co-operative Wholesale Society, adopted the principles of the Garden City for the design of their housing developments: the first being Brentham Garden Suburb at Pitsanger in Ealing, West London, and the most famous Hampstead Garden Suburb. Our last Wimbledon men's champion (before Andy Murray), Fred Perry, learned his sport on the tennis courts at Brentham Garden Suburb where his family lived after his father, Sam Perry, moved to London to be the first general secretary of the Co-operative Party and the first Co-operative Member of Parliament.

The history of the tenant co-partnership housing also shows that the challenge of ensuring long term housing affordability is not new, the majority of garden city and tenant co-partnership homes now being in private ownership.

Housing co-operatives are part of the wider global Co-operative Movement that was celebrated during the United Nations International Year of Co-operatives 2012. The International Co-operative Alliance, the Co-operative Movement's global representative organisation, represents over 1 billion members of co-operative enterprises in over 96 member countries and provides over 120 million jobs: as many as the major global capitalist businesses, but of course very different because co-operatives are member not investor owned. According to the United Nations, if you include members, employees and the dependents of members and employees, "Co-operatives contribute directly to improve the living standards of half the world's population."⁷

Housing co-operatives in many countries play a significantly greater role in the construction and provision of affordable housing than in the UK. In the UK housing co-operatives provide housing for less than 1% of the UK's population in comparison with an average of 10% in the rest of Europe. Scandinavian countries have the highest levels of co-operative housing provision. In Sweden housing co-operatives provide 18% of all homes. Housing co-operatives have the potential to help increase the supply of affordable homes in the UK. If we had the same percentage of co-operative homes as in other European Countries, 6 million people in the UK would live in housing co-operatives.

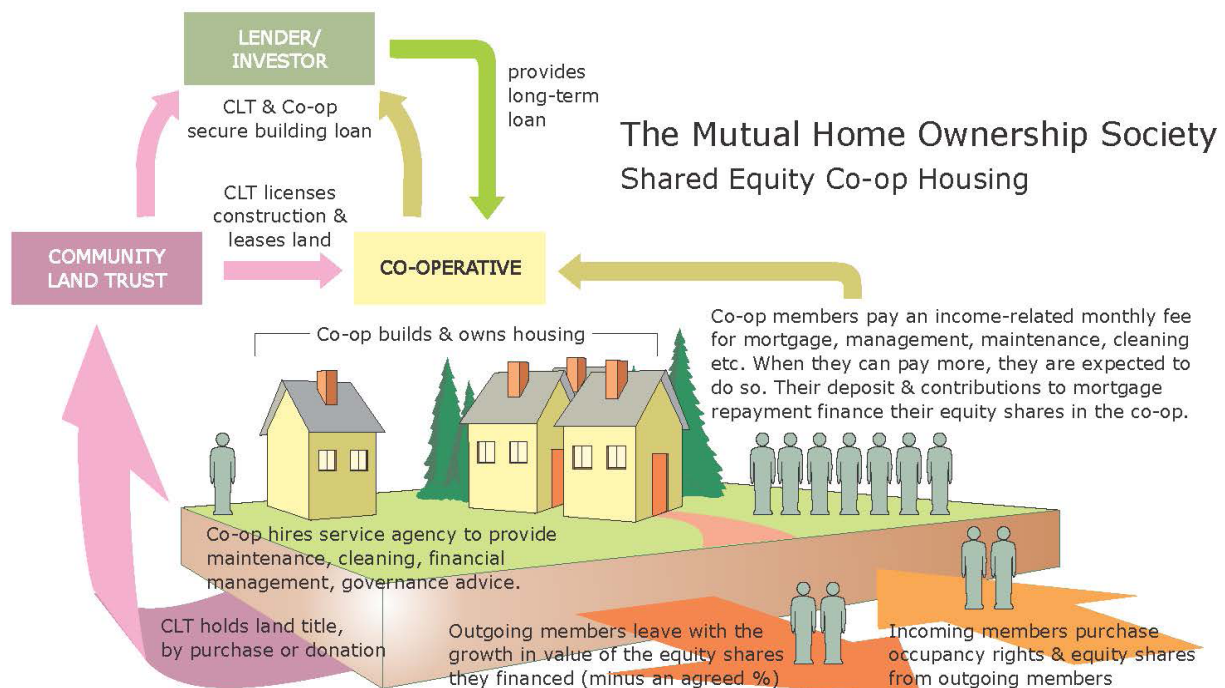
Housing co-operatives fall broadly into three categories, although some are a mix of all three. At one end of the scale are rental co-operatives in which resident members rent their homes and have a nominal share and no interest in the value of the home in which they live. At the other end of the scale are market value co-operatives in which the co-operative owns the building but members have a tradable right of occupancy at a free market price: the most famous being the Dakota Building in Manhattan where John Lennon lived. In the middle are limited equity co-operatives in which members have a limited equity stake in the value of the home they are helping to finance but which has a formula that caps the value of their limited equity to ensure that they cannot gain windfall benefits from any enabling subsidy, such as free or low cost land, which enabled their homes to be provided at a below full-market cost.

⁷ Background paper for United Nations World Summit on Social Development, Copenhagen 1995.

It is the potential of this type of limited equity co-operative to increase the supply of affordable intermediate market housing that is stimulating considerable interest particularly in Wales, although the social, economic and environmental benefits of all three types of housing co-operative is evident.⁸

Mutual Home Ownership, a type of limited equity co-operative proposed by the Co-operative Party, is essentially a simple idea.⁹ Land for housing is provided by public authorities or through the planning system at nil or below market cost and held as a community owned asset by a community land trust. The homes on the land are financed through corporate loans to the co-operative Mutual Home Ownership Society. Resident members pay a monthly charge of 35% of net household income, which ensures that the homes are affordable. The more a member pays the more equity shares they 'own' and finance in the value of the housing property portfolio owned and financed through the co-operative. Equity shares have a base value of £1,000 and their value is linked to average earnings or other appropriate value index. Members are entitled to a capital payment that reflects a proportion of the increase in the value of their equity shares when they leave (90% is proposed but this could be set at a lower percentage). Members are required to pay a deposit of 10% of the equity they will finance when they join the co-operative and to finance more equity shares if their income rises. It is a different way of owning a stake in a home and has the important potential to attract investment for the provision of affordable housing from pension funds and other long-term investors who can be offered an assured long-term return on their investment. This is not just a theoretical concept. The first Mutual Home Ownership scheme is being built by LILAC Mutual Home Ownership in Leeds.¹⁰ See Case Study 9.

The following diagram illustrates how Mutual Home Ownership is designed to work:



Source: Mike Lewis and Pat Conaty, *The Resilience Imperative: Co-operative Transitions to a Steady-state Economy* (New Society Publishers, 2012)

⁸ See 'Bringing Democracy Home', the 2009 report of the Co-operative and Mutual Housing Commission at www.ccmh.coop

⁹ See 'New Foundations: unlocking the potential for affordable homes', Co-operative Party, 2009 www.party.coop

¹⁰ See www.LILAC.coop

There is a rich history of co-operation in Wales. Mutual aid groups built much of the housing in the Rhondda Valley in the nineteenth century with co-operative finance provided by terminating building societies. Around the time of the First World War there were several Garden City projects in Wales built on co-operative principles. A good example is Rhiwbina Garden Village and today a suburb of Cardiff. Over the past ten years Large Scale Voluntary Transfers have established four Community Housing Mutuals in Wales.

In May 2011 the Labour Government made a manifesto commitment to increase the supply of affordable housing in Wales. This commitment was detailed in the Programme for Government to:

“Develop and promote new ways of providing land and funding for housing, such as community land trusts, mutual home ownership and co-operatives.”

Some potential legislative changes are required to facilitate the Government’s commitment and the Housing White Paper 2012 sets out the Welsh Government’s ambition to:

- *Deliver 500 new homes through our pioneer projects on co-operative housing as part of action to achieve our affordable housing target*
- *Enable a new co-operative housing tenure*
- *Define Community Land Trusts*

Through a growing national partnership there are already several co-operative housing Pioneer Projects throughout Wales, looking to implement various mutual models including rental, market and limited equity co-operative housing. The Pioneer Projects are at various stages of development with a broad range across rural and urban areas – both small and larger scale – with a variety of drivers (sites and/or people)

Case Study 7: LILAC – a pioneer of Mutual Home Ownership

LILAC stands for ‘Low Impact Living Affordable Community’ and it is a new urban eco-village in Bramley, Leeds. The group of founding members are developers of a co-housing scheme with 20 homes. LILAC is pioneering Mutual Home Ownership as a limited equity co-operative. Social finance has been provided for the development by Triodos Bank and the Co-operative Housing Finance Society that has provided loan guarantees to new members for the first twelve months. Ethical investment has also been raised by the successful promotion to the public of co-operative loan stock. The lease payments that build equity shares are affordable as they are based on 35% of net household income. The housing has been designed to high ecological standards using permaculture design principles, renewable technologies and natural building materials including hemp and straw bale panels in the construction. LILAC as an eco-village is working towards becoming a zero-carbon community. The Common House for co-operative members includes shared cooking and eating facilities, a meeting room and a play area. The gardens and outdoor common spaces maximise opportunities for food production and social interaction. LILAC’s radical innovation in co-operative housing has been award winning. They were finalists in the Local Authority Building Awards in 2013 and they won the Yorkshire and Humber Construction Excellence Award 2013 in the Sustainability category.

www.lilac.coop

The Welsh Government is working to identify additional potential sites to increase the number of homes developed. In some cases co-operative housing is being fostered by the local authority and in other cases by a housing association sponsor. The sites offer a variety of opportunities for co-operative housing including providing accommodation specifically for young people in one area and in another locality to develop a mixture of workspace and housing units for a group of artists and craft workers.

The Welsh Government has set up a Co-operative Stakeholder Group which meets regularly to discuss not only the progress of individual Projects, but also to provide ongoing support. The Welsh Government recognises the importance of partnership working and is working with the Wales Co-operative Centre, the financial sector, the affordable housing sector and local communities. The following have been agreed as nine key measures for success:

1. Meets housing need
2. Provides democratic community membership
3. The members are involved in the governance of the cooperative
4. Provides one or a combination of tenures including; rental co-operatives; market value co-operatives and limited equity cooperatives
5. Quality of the housing - equivalent or better than current Welsh standards for social new build housing.
6. Quality of place demonstrated through social, economic and environmental sustainability
7. Flexibility in provision to be accessible and attractive to a range of income households – including equity stakes for members
8. Mixed communities approach with a flexible form of tenure
9. Models of co-operative housing that are fundable

The current Pioneer Projects give an indication of the types and diversity of housing being pursued and include:

Cardiff: this is a mixed tenure site to develop a minimum of 25 co-operative housing units supported by Cadwyn Housing Association.

Newport: this is also a mixed tenure site with the potential for 200 homes with a proportion of 20 - 30 that will be co-operative housing.

Denbighshire: this is a project in West Rhyl for local residents and building on a local Community Land Trust that has taken on leases of three empty properties and with more in the pipeline.

Gwynedd: this is rural project backed by Tai Eryri Housing to support people with local connection interested in five sites within five different communities. A community land trust is being worked on with the aim to replicate the Cornwall model in rural Wales. There is a strong interest in community self-build in several of the local areas.

Carmarthenshire: three potential sites are being assessed with the potential for 70 co-operative homes.

Vale of Glamorgan: artists and craft workers who operate in the Vale are struggling to develop business and workspace and housing are very expensive. A live/work environment using a co-operative model is being developed to provide dual solutions for up to 8 co-operative homes and with the support of the Rural Housing Enabler locally.

Merthyr Tydfil: Merthyr Valley Homes is looking to refurbish a block of 12 flats as Co-operative housing for non-family households in employment.

Torfaen: this is a co-operative housing scheme, sponsored by Bron Afon Community Housing for a mix of young people looking for affordable rent and for working people unable to access housing in either the private or the social market.

In late 2012, David Palmer, a Co-operative Housing project manager was appointed to provide co-ordination and leadership support for the Pioneer projects. He is based at the Wales Co-operative Centre and is working closely with project leaders and their housing association and local authority supporters.

Case Study 8: East London Community Land Trust - “A home is a home, not a commodity”

The East London CLT, established in 2007, by community organisers London Citizens, is part of their campaign to secure permanently affordable housing as part of the Olympic Legacy. London Citizens formally supported the Olympic bid in exchange for a Mayoral commitment to the CLT and Olympic employers paying the London Living Wage.

After nearly a decade of campaigning, this now independent CLT is a partner in the redevelopment of St. Clement's Hospital in Mile End, after a lengthy tender process overseen by site owner, the Greater London Authority. The CLT will develop 21 new homes on fixed shared equity leases.

By mobilising the community around the site for over three years before the tender, and undertaking their own community planning activities, the CLT has created a climate of local opinion that is positively in favour of development. The current development partner is benefiting from this community support and informed interest, as the scheme goes forward for planning. This level of community activism can also seem threatening and disorienting to developers and local planning authorities more used to thinking of themselves as being the ones in control! In reality, both the CLT and the development partner have mutually reinforcing objectives to create value for each other by making the project and the place a long-term success.

One of the CLT's key objectives is to restore a sensible balance between housing costs and actual incomes in the area served by the CLT. The cost of a mortgage and the service charge will be no more than a third of median local incomes. Shared owners will be able to sell on their fixed equity share, but with any uplift in value set by rises in local incomes. This will break the link with house price increases related to the investment value of housing (in London) as a speculative commodity. The freehold of the whole site will be owned by a new community foundation that will use the annual ground rental income from all 200 homes within the development, to support local charitable activities.

7. Opportunities for a Garden City and CLT approach to develop low-carbon cities

In many areas of need, co-operative ideas about self-help and mutual aid are gaining currency. The national emergence since 2008 of Transition Town groups and networks, the growth of community investing in wind power and hydro power and other forms of crowd-funding indicates an evolving and developing ethos of social economy thinking and co-operative enterprise practices.

Trust us to build ‘sustainable communities’!

Stephen Hill, CO2 Futureplanners

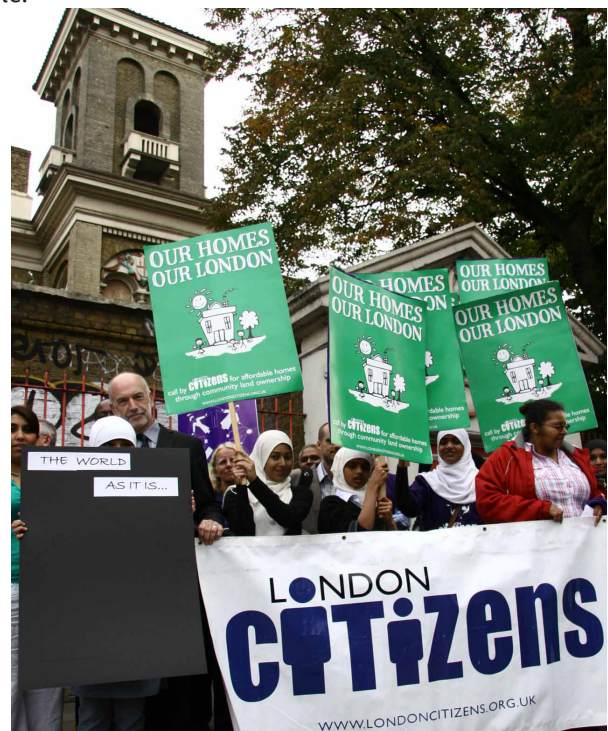
Words like ‘building sustainable communities’ fill the pages of countless planning and housing policy documents. But how do you actually do it?

A good place to start would be to look at the new cohousing projects now taking hold in Britain.¹¹ They are the exception that proves the rule that every other new home and place we are currently planning is already obsolete, socially, economically and environmentally, before we have even started to design it.

Whilst the housing industry tries to do as little as possible that is different from today, it is only cohousing groups, community land trusts and co-operatives that are actively planning for the future and indeed demonstrating diverse ways of how to live in a future with fewer natural resources, less energy, less land for food, less help for age and infirmity, and more people.

Regulation and technology are irrelevant unless they relate to people’s lives and behaviour. The LILAC cohousing project, now being built in an ordinary suburb of Leeds, does what it says on the tin: Low Impact Living, (permanently) Affordable housing and Community-led.

But this is not new. Go back to a survivor from the 1970s heyday of co-operatives, the Sanford Co-operative, in Lewisham, funded without grant, now using their major repairs fund, prudently accumulated over a generation, to leverage government grants for Combined Heat and Power (CHP) boilers and solar panels. The residents have also signed up to reducing their collective CO2 emissions by 60%, growing food and increasing walking and cycling: something we will all have to do quite soon, and cannot do efficiently or cost-effectively as individuals.



London Citizens demonstrating outside St. Clement's, in 2009, as part of their campaign to persuade the Mayor to support a CLT on the site.

¹¹ 'Cohousing in Britain – A Diggers & Dreamers Review', edited by Martin Field, Diggers and Dreamers, 2011.

But talk to any mainstream housing provider about working with community housing groups, and they will sigh and talk condescendingly of time consuming, costly, risky and difficult projects, and difficult people: meaning 'this doesn't fit our method of production'. Doesn't that word 'provider' say so much?

This is a uniquely British problem for citizens wanting to exercise real housing choices; and unlike mainland European and North American governments and municipalities who have been supporting citizen-led housing approaches, for a generation, as highly successful tools for building stable and adaptive communities. We admire the new suburbs of Freiburg, Tübingen and Karlsruhe in Germany, mostly built by co-operatives and citizens' building groups, and wonder at the quality of place and sense of community they have created. But we lack the courage to let such things happen here.

Why? Politicians and civil servants are used to deciding what kind of housing is good for us. They need to learn how to let us take greater responsibility for our own housing futures. All the evidence suggests that future residents actively involved in a process of co-producing place will be more successful. Designers, planners and housing providers cannot do this on their own.

Access to land for Community Agriculture

Mark Simmonds, Co-operatives UK and Martin Large, Stroud Common Wealth

The Soil Association defines Community Supported Agriculture (CSA) as a partnership between farmers and the local community, providing mutual benefits and reconnecting people to the land where their food is grown.

In practice, this definition may be perfect for the CSA experience in the USA but it does not quite fit the over 100 trading CSAs in the UK where we are seeing far more communities as growers and communities as the landowner. CSAs are set up in a mixture of rural and urban settings.

Those who set up and become members of CSAs have a mix of motivations, such as access to healthy food, low carbon sustainable production, localism, support of local producers and increasingly sustainable livelihoods. Many CSAs have come out of Transition Town groups. Some pioneering examples include:

1. **Fordhall Community Land Initiative** – community of interest as landlord www.fordhallfarm.com
2. **The Community Farm** – community buyout of existing farm business www.thecommunityfarm.co.uk
3. **Ecological Land Co-operative** – sustainable developers, motivated by creating access to land for smallholders to practice sustainable small-scale agriculture. <http://ecologicalland.coop/>
4. **Tablehurst Farm** – this is the oldest CSA in the UK and a 200-acre biodynamic farm, adjacent to the town of Forest Row in Sussex. It is part of a wider enterprise (including other local farms and parcels of land of an additional 300 plus acres) that has been managed by the Tablehurst and Plow Hatch Co-operative since 1995. <http://www.tablehurstandplowhatch.co.uk/Tablehurst.html>
5. **Hill Holt Wood – Garden Village** - blank sheet design for sustainable community that can grow more food per acre than the original farmland on which it would sit. <http://www.localitybrokers.org.uk/blog/yard-%E2%80%93-autonomous-village>

CSAs tend to set up as Industrial and Provident Societies, using both the Co-operative and Community Benefit models.

Case Study 9: Stroud Community Agriculture

Stroud Community Agriculture (SCA) is a community-supported agriculture scheme, leasing two farms totaling forty-five acres. Constituted as a member-owned and run co-operative, there are 180 family members that get vegetables weekly on a share system. Members pay a monthly membership fee and pay for food shares. Members guarantee the three farmers' salaries from year to year and agree a yearly budget and cropping plan. Annual sales turnover is around £115,000. A core group of elected members manages the co-operative and the farms, which are mixed, with vegetables, animals, hay and grass – all farmed organically and bio-dynamically. Seasonality is important, as is the reduction of 'food miles'. There are social activities, celebrating festivals and monthly voluntary workdays. Stroud CSA was used as a practical exemplar for Community Supported Agriculture training workshops under the Making Local Food Work Programme. SCA is based on the associative organising principle whereby consumers agree from year to year with farmers to guarantee both a fair income and price for produce. This is in marked contrast to the free market organising principle. The location of one of the farms is accessible to people walking and 'within pram pushing distance of Stroud'.¹

www.stroudcommunityagriculture.org

¹ Martin Large (2010) *Common Wealth: For a free, equal, mutual and sustainable society*, Hawthorn Press.

Spectrum of land access models for community agriculture

There is a spectrum of relationships between land and community growers, from trespass to ownership. The scope of this spectrum is explored below. In reality the more radical options with less responsibility on the grower are often pursued in stages within a process that can move across the spectrum towards community land ownership and stewardship. The land access options include:

1. **Guerilla Gardening** - This is the use of communal space for food growing without seeking the prior permission of the landowner, often the local authority. Guerilla gardening is often politically inspired with motivations ranging from a desire simply to occupy civic space in a productive way to the physical occupation of land in the spirit of the Gerard Winstanley and the Diggers in 1650. Examples of these types of projects include Incredible Edible Todmorden www.incredible-edible-todmorden.co.uk/ & Transition Heathrow www.transitionheathrow.com/



2. **Meanwhile use** - This is the negotiated use of land over short time-scales, which is subordinate to the longer-term use of the land intended by the owner. There are several projects which exist to broker this such as the Meanwhile Project www.meanwhile.org.uk and the Community Land Advisory Service www.communitylandadvice.org.uk/ which has an office in Bristol, Cardiff and Edinburgh to help local food growing groups to find sites in urban and rural areas of England, Wales and Scotland
3. **License** - Calderdale Local Orchard Group have negotiated rolling renewable licenses to occupy sites and which allows them to plant orchards on unused council land. www.calderclog.wordpress.com
4. **Lease** - Stroud Community Agriculture is a large CSA that rents their land from a local college and school. See case study 8 and <http://www.stroudcommunityagriculture.org/>. Interestingly there appears to have been little use made of farm business tenancies, which would compensate the CSA for improvements made to the land at the end of the tenancy.
5. **Pop-up Farms** - Used by many schools, developed by the School of Sustainability and basically bringing food growing into the community for educational purposes. <http://www.school-of-sustainability.com/>
6. **Ownership** - Actually owning the freehold or long leasehold, allowing for real investment of time and resources into the land. As well as the examples given above it would be worth mentioning both Worcestershire Community Land Co-operative currently developing allotments and an orchard <http://www.wclcoop.org/>
Lammas, a co-operative in Wales building an eco-village as a Community Benefit Society <http://www.lammas.org.uk/>.
7. **Trusteeship** - A form of community land trust ownership of farmland and food growing sites like those sites being developed by the Biodynamic Land Trust <http://www.biodynamiclandtrust.org.uk/> and by the Soil Association Land Trust <http://www.soilassociation.org/landtrust>

Case study 10: Community Land Advisory Service

In 1939 before the outbreak of World War II, more than 90% of food was grown regionally in European countries. Food grown locally and regionally for towns and cities was then the norm - less than eighty years ago. The need to radically reduce carbon emissions by 2050 will favour the decentralization of food production. How can we begin this journey? Both food and energy imports are costly. A growing dependency on global markets underlies the inflation of both these essential commodities. Moreover food prices are directly linked to the price of oil. With ongoing austerity, local food production is growing in popularity. 6 million people are interested in local food production but the waiting list for allotments in England has grown from 13,000 in 1996 to over 100,000 today. Allotment holders on a standard plot produce food in value of more than £1200 a year. To open up access to food growing space across the UK, the National Federation of City Farms and Community Gardens set up the Community Land Advisory Service (CLAS) in 2012. With an office in Bristol, Cardiff and Edinburgh, the service workers seek to match landowners willing to provide sites with groups that are provided support to develop a food growing or community garden scheme. Using model leases and agreements, CLAS acts as an honest broker; the service mission is to develop trust and a sense of security for both landowners and tenants. To do so, clarity on the respective responsibilities of both parties is key to forging effective agreements and on the negotiating of equitable terms and lengths of leases. The service can help local growing groups secure appropriate technical advice, training and support. Good practice precedents and case study information for landowners have been developed. CLAS in future will be able to receive and hold land in trust where appropriate.

Issues around land acquisition

There are many issues around the acquisition of land for CSAs and these particularly affect their choice of an appropriate legal structure and business model. Effective strategic planning work includes the following considerations:

- Asset lock as protection against carpet bagging - not all legal forms offer this.
- Enterprise vs. Stewardship - CSAs that own the land can use the value of the land to leverage finance but then the land is at risk from the business activity.
- Security of tenancies - many CSAs have no long-term security and this restricts their investment and development potential.
- Asset Transfer and Localism Act - a big opportunity, but we still don't know how the new legislation will evolve.
- Cost of land and speculative value - land prices are inflated by the willingness of speculators to purchase agricultural land for possible future development.
- Access to Community Finance – community shares offer a big opportunity for communities to purchase community assets such as land. Community Development Loan Funds (see UK list of the 65 regional and local members of the Community Development Finance Association) in some regions.¹²
- Planning framework - the existing planning system is currently perceived as a hurdle by many CSAs.
- Land contamination - in urban settings much of the land being offered for community growing is contaminated by previous industrial use.
- Livelihood or hobby? Much CSA activity in the UK has been focused on a consumer co-operative model. Will we see a switch to more worker co-operative models producing for local markets as in some other countries?
- Governance – Is there the appetite amongst members of communities to take on a governance role?

On the ground, we aren't really seeing yet any serious strategic planning of community food enterprises involving local authorities. Rather what we see are small groups of people reacting to opportunities such as available land, gaps in the market and perceptions of the fragility of their local food system. There are however some attempts seeking to find ways forward through a strategic approach on regional level through the creation of food hubs and secondary co-operatives.

<http://www.makinglocalfoodwork.co.uk/who/PlunkettLFSphase1.cfm>

The tensions between top-down vs. bottom-up planned approaches are crucial to get right. Co-operatives don't work if they are created as empty vessels, which then need filling. Rather they need to be grassroots, organically developing organisations, backed by the communities where they can become rooted and increasingly supported by members with whom they will trade.

I finish with a provocation: Are we trying to design a sustainable economy or are we in fact building the lifeboats to survive a coming crisis, which may provide our blank sheet? Might we move towards a new agenda for 'the commons'?

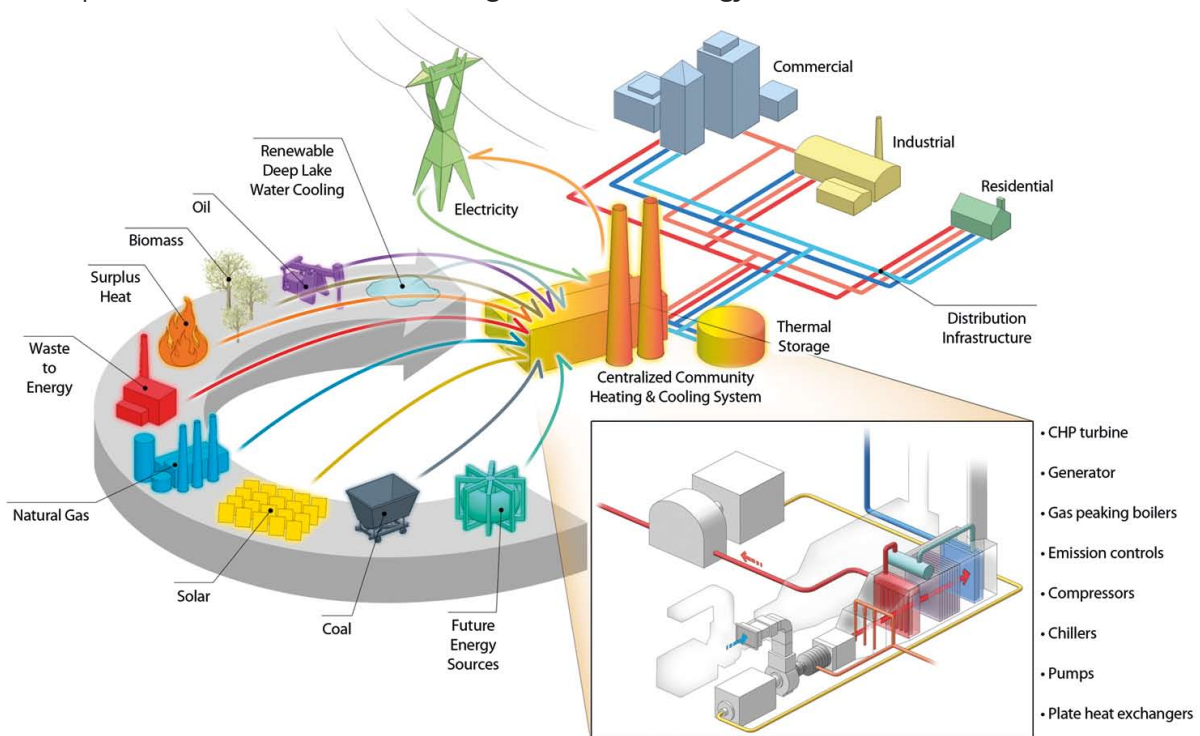
¹² For information see regional member list at <http://www.cdffa.org.uk/>

Community Land Trusts as a delivery model for district heating

Mike King, District Energy Development Ltd.

District heating is an infrastructure that distributes thermal energy from a central plant to multiple buildings. This means of providing heating and cooling to consumers is very common in Europe and most Scandinavian cities are served in this way. The infrastructure comprises three elements:

- A network of underground pipes that carry hot water from the plant room to the buildings and a second pipe returning lower temperature water to the plant room.
- A hydraulic interface unit containing a plate heat exchanger that transfers the heat from the pipe distribution network to the internal heating system within the home or building.
- The plant room that contains the heat generation technology.



Source: Affiliated Engineers USA. Michael King. *Community Energy: planning, development and delivery*. IDEA, June 2012

District heating networks are ideally located in areas with high building density (to reduce the capital cost of connecting buildings) and a diverse range of building uses – e.g. public sector, residential, commercial, industrial and leisure activities. Typically users anchor district heating with a steady and high demand for energy services. Ideal organisations to do this include hospitals, universities, and municipal facilities such as leisure centres or social housing estates.

This arrangement is inherently more efficient than individual boilers in buildings because it is able to balance out the peaks and troughs of demand typical of individual consumers by balancing the varying demand profiles of different consumer types across the network. This enables plant to be sized at less than demand peak, resulting in capital savings, and more efficient fuel utilisation as the plant can operate smoothly over long periods.

The other major benefit is that the plant can be at a scale that cannot be achieved at a building-only level. Heat generation can be combined with electricity generation through Combined Heat and Power (CHP). Additionally and alternatively, renewable and low carbon heat sources can be exploited – such as geo-thermal wells, waste heat from power stations and energy-from-waste plants.

District heating and CHP efficiencies combined with low or zero carbon heat sources deliver reduced CO₂ emissions and affordable heat for consumers. District and local heat networks also provide a pathway to the mass deployment of renewable energy schemes in towns and cities. Government has recognised this opportunity and DECC's Heat Strategy posits an expanding role for district heating networks in urban areas for serving up to 30% of the heat market by 2050.¹³

Case Study 11: Aberdeen Heat & Power – Community Energy Mutual

In 1999 Aberdeen City Council adopted an Affordable Warmth Strategy to tackle fuel poverty in the city. This strategy determined that investment in its own housing stock should be focussed on its least thermally efficient properties. A stock evaluation using energy rating software found that the city's priority should be to tackle steadily the upgrade of their 59 high-rise blocks of flats. Most of these blocks lacked external cladding and the flats were heated with electrical night storage heaters. Residents were under-heating their homes due the high cost of electricity.

The Council commissioned a technical study to identify the technical solution best able to deliver low cost heating to residents. This identified water-based communal heating systems connected to combined heat and power (CHP). Whilst the Council could afford to install this technology in one cluster of blocks it could only do so at the rate of one project every 12 years due to capital constraints. Commercial energy services companies could access third party investment to accelerate deployment but the financial returns required would result in high heating charges to the residents – undermining the objective of reducing fuel poverty.

The Council therefore established an arms-length not-for-profit Company formed as a company limited by guarantee based on membership. Members were drawn from the local community, including residents, who nominated board directors with two seats reserved on the board for the Council.

For the first project serving 289 flats in four blocks at Stockethill, the Council entered into a contract with the Company to deliver the project based on an annual payment of £219,000 over a ten-year term. Based on this contract and the appraised cash flow, the Company was able to take out a capital loan of £1 million to deliver the project at a similar rate to finance available to the City Council. At that point a government-funded capital grant programme became available and the Company was able to spread the loan finance over a further two projects by blending it with grants and the funds otherwise intended for refurbishing the heating systems under the Council's capital investment programme for upgrading the stock.

Using this blended financing arrangement the Company has now completed a total of five projects, connecting them together with a district heating system, serving approximately 1,500 flats and 9 public buildings. Ten years later Aberdeen Heat & Power is now financially self-sustaining, the original loan has been re-paid. The community energy mutual services continue to expand, providing affordable heating to residents and businesses, and it is regarded an exemplar scheme in Scotland and the wider UK.

¹³ The future of heating: A strategic framework for low carbon heating. DECC (March 2012)

The challenge lies in delivering of this vision. Work undertaken for DECC identifies the principal barriers as the huge up-front capital cost of such networks and their sensitivity to the rate of return required by investors.¹⁴

Typically, springboard projects can provide rates of return in the order of 6 – 10% over long contract periods of 25 – 30 years. However these rates are well below normal commercial investment terms. However if the early start up stages can be funded, the commercial rates of return expected will reduce as networks expand, markets emerge and these become more robust and both less risky and costly due to a falling marginal cost of additional connections. Additionally, there are consumer protection concerns for customers, including householders, connecting to what will be monopoly suppliers in the short to medium term.

Local authorities have a strategic role to play in the development of district heating networks because of their planning function, their ability to take a strategic view across their entire geographical area and their ability to provide their own buildings as the anchor demand load. Existing UK models for district heating businesses range from private companies focused on new build developments where district heating is a planning requirement to public ownership sites wholly serving council-owned buildings. In between there is experimentation with a range of public- private ownership models through joint ventures, special purpose vehicles and not-for-profit structures.

Community Land Trusts have the potential to provide a business model that addresses the barriers and concerns highlighted above. Ownership of the land allows the developer to determine the density and mix of use of buildings on the site as well as the location of anchor load buildings and plant room. The development of the site can be undertaken in such a way that the phasing and build out works in step with the build up of the heat network. In partnership with local authorities, CLTs can also ensure that capital costs are minimised by coordinating the installing of the infrastructure at the same time as the connection of other utility services such as water, sewage, power, ICT cables and waste collection through HVAC networks.

Land ownership also provides a long-term investment approach that can deliver the rates of return typically required by pension funds. Investors will also draw comfort from the fact that buildings on the site will all be connected to the network with little risk of migration to other forms of energy supplier as well as by linking the investment to the asset strength of Community Land Trusts as these develop in future.

The risk of monopoly abuse is reduced by community ownership which allows the business to set heat charges and connection costs in a transparent manner that provides consumers with confidence. As a result, CLTs can pass through the benefits of the high technical efficiencies and low cost financing to local residents in lower charges.

The present energy market is dominated by large corporate oligarchies. The Government seeks to deliver a competitive market. Each community and set of stakeholders will need to determine the appropriate business model for their areas as determined by their approach to risk, control and the rate of return required. This should mean a diversity of different business models that provide real competition for the benefit of consumers and communities. Community Land Trusts offer a model that has a good 'fit' with this technology and should therefore be actively considered in the drive to expanding district heat networks up to 2050.

¹⁴ The Potential and Costs of District Heating Networks. DECC (April 2009).

8. Reinventing the Garden City model for the 21st Century

The challenge to reduce carbon emissions massively by 2050 will require a radical new approach to how we conceptualise and develop systems for housing, transport, social services, energy, waste and much more. Garden city ideas and practices can inform powerfully the development of this new mindset. Many thinkers are encouraging this new way of seeing the world and are indicating the ways and means for reframing our institutional structures to make them more socially inclusive by enabling citizen membership, citizen decision-making and active forms of participatory democracy. Times are indeed a changing. There is also a blessed unrest welling up among many citizens who are tired of the conventional ways of managing and governing our institutions in diverse areas of the public and private sector.

The Commonwealth Wheel – a Co-operative Tool for Place-making and Garden Cities

Pat Conaty, Research Associate, Co-operatives UK

Letchworth and Welwyn Garden Cities were remarkable achievements. Projects of this size can be pursued again and need to be in the 21st century if we are to make the required move to rebuild our cities on 'low-carbon' design principles to achieve the green cities required to limit global warming and reduce the growing volatility of the earth's climatic conditions. In the USA there are a growing number of City-CLT partnerships, including in big cities like Chicago and Atlanta. Currently the largest urban CLT is under development in Irvine, California with a master plan for over 10,000 homes and a first phase of investment in place with finance from pension funds of over \$350 million. This project is the same size as that of Letchworth Garden City.



Source: Champlain Housing Trust

Professor Karel Williams of the University of Manchester has been developing a framework to reconceptualise local and regional economic needs. He calls this the foundational economy. What he points out is that the services sector has become the bedrock of economies in most countries of Europe. Moreover in all sorts of ways these services by their nature are hard wired locally within cities and regions for the: 'provisioning of food, housing, utilities, finance, repairs, maintenance, health, social services, education, advice and knowledge transfer. Williams argues the case for seeing the foundational economy as a 21st century paradigm shift and an enabling renewal framework for rebuilding our cities and towns in decentralising ways. He argues that this is especially important to solving the economic blight in many northern cities and within other industrial areas of England and Wales where traditional industries are in decline but where an import replacement and decentralising strategy can devise new solutions and good work in creative ways.

Case Study 12: Evergreen Co-operatives – Vision of Co-operative and Green Cities

The Evergreen Initiative in Cleveland, USA was launched in 2007 and was inspired by the successful Mondragon Co-operative Corporation in Spain that has regenerated the Basque country's entire economy over the past 50 years by devising an ingenious co-operative economic development approach funded by a local co-operative bank within a worker owned enterprise network. The local co-operative bank began life as a credit union for worker co-operatives and it has operated with a focussed mission to recycle and re-circulate low-cost capital within the local economy networks established by the worker owned firms in Basque cities. In an adapted design for Cleveland, low-cost capital has been seeded by grant capital from the Cleveland Development Foundation and supported by different forms of tax credits as well as long-term, low-interest loans from the federal government.

Evergreen Co-operatives have so far set up three expanding worker co-operatives: Evergreen Co-operative Laundry Services that has been supported by procurement from anchor institution hospitals and universities; Evergreen Energy Solutions that has been set up both for installing, owning and maintaining solar power on anchor institutional buildings and for repairing and insulating older housing stock citywide; and Green City Growers a food growing co-operative to create jobs through the largest inner city farm in the USA and green house facilities (with 3.25 acres under glass) designed to harvest three million heads of lettuce a year and to grow several hundred thousand pounds of fresh basil and other herbs – all on a ten acre site in a low income neighbourhood right in the heart of the city. The strategy of Evergreen Co-operatives links up three co-operative economic development tools. Firstly the worker co-operative model to create good jobs including equity development for worker owners and profit sharing, secondly a Community Development Finance Institution owned by the Evergreen co-operative network to invest and recycle low-cost capital (as subordinated debt at a rate of 1% to create jobs) and thirdly a Community Land Trust to develop the space and sites for food growing and for developing affordable housing in the second phase of their plan. They have raised already £200 million of low-cost capital for Evergreen Co-operative Development Fund, their CDFI, and the annual procurement power of their anchor institutions is \$3 billion. This is a powerful vision being backed by seriously savvy local economy stakeholders and social investors in Cleveland who can make this 'Green Garden City' vision happen.

An interesting example of the approach Williams is advocating is underway in Cleveland, Ohio. Fifty years ago, Cleveland was the one of the five largest cities in the USA. Like Liverpool, its population size and regional economic clout has shrunk over several decades as it lost much of its traditional manufacturing base. Even before 2007 Cleveland had a poverty rate of 29.5% and not much below Detroit at 33.8%. In 2008 a creative partnership began to get under way involving Cleveland's city council, the city's universities, the Cleveland Foundation and a number of large hospitals.

The vision forged by these collaborative partners was a co-operative economic development one and focused on the development of: (a) 'green industries' for producing much more local food within the city on waste land, (b) on ways and means for kick-starting local solar energy jobs by installing solar power on public buildings and on hospital and the university buildings, and (c) to address these aims directly by creating inner city jobs for those out of work by setting up worker co-operatives. This co-operative urban strategy is beginning to demonstrate exciting potential as the case study below shows and the approach has stimulated similar plans to copy the 'Cleveland model' in other US cities including Atlanta, Pittsburgh, Milwaukee and Washington DC.¹⁵

The Evergreen Co-operative story is inspiring. How might we bring a similar vision into play here in the UK? We can indeed learn from and build upon the lessons from the rural CLT success stories achieved so far.

A key factor facilitating the expansion of community land solutions over the last five years in the UK has been the evolution within the CLT national movement of effective ways to transfer knowledge and to show local stakeholders how they can collaborate most effectively to develop schemes.

The establishment of a national body (National CLT Network) to coordinate this transfer of learning has been an important innovation and has facilitated this flow of knowledge around the country, both by acting as a central repository of information from individual CLTs, and by creating opportunities for connections between practitioners and facilitators. It is significant that this national body is directed by CLTs themselves, and is therefore collaboratively governed and managed.

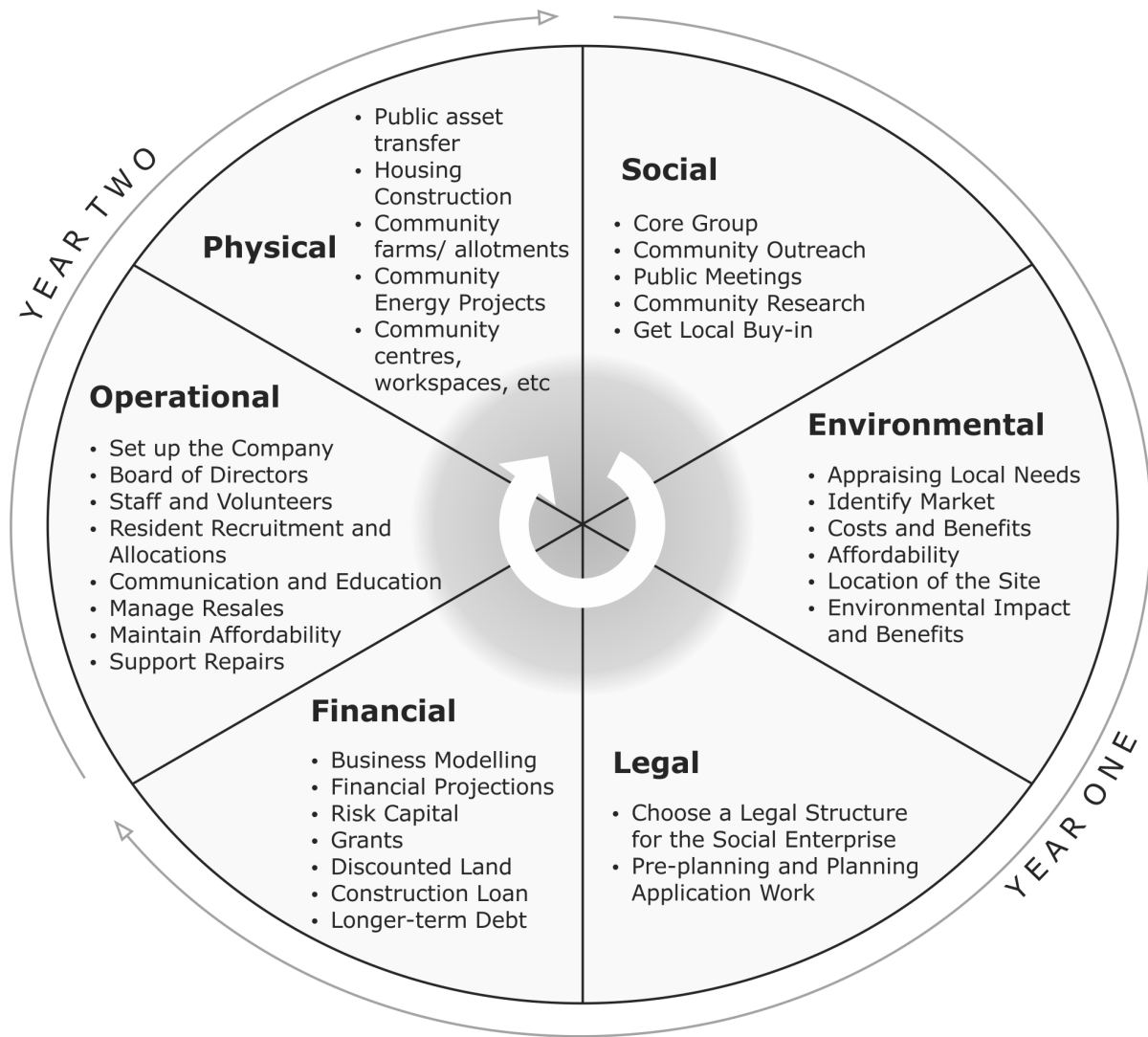
A co-operative learning approach can enable local citizens to work with both planners and developers to co-produce and shape places in convivial ways. The basic six-step process for the development of community land solutions is summarised in the Commonwealth Wheel depicted in Figure 2. Originally called the Wheel of Fortune it is being used more widely to support more asset development projects than just housing. It has the potential for developing co-operative commonwealth and to operate as an enabling system for Garden City neighbourhood development.

Core to the Commonwealth Wheel are the six steps referred to as the SELF-OP method (Social, Environmental, Legal, Financial, Operational, Physical); this collaborative learning approach has proven to be effective for enabling diverse local stakeholders to get the basics right and indeed much more quickly today than in the early days of rural CLT experimenting.

¹⁵ Ted Howard (2010) *Owning your own job is a beautiful thing: Community Wealth building in Cleveland, Ohio*, chapter in *Investing in What Works in America's Neighborhoods*, San Francisco Federal Reserve Bank.

The Commonwealth Wheel

Figure 2:

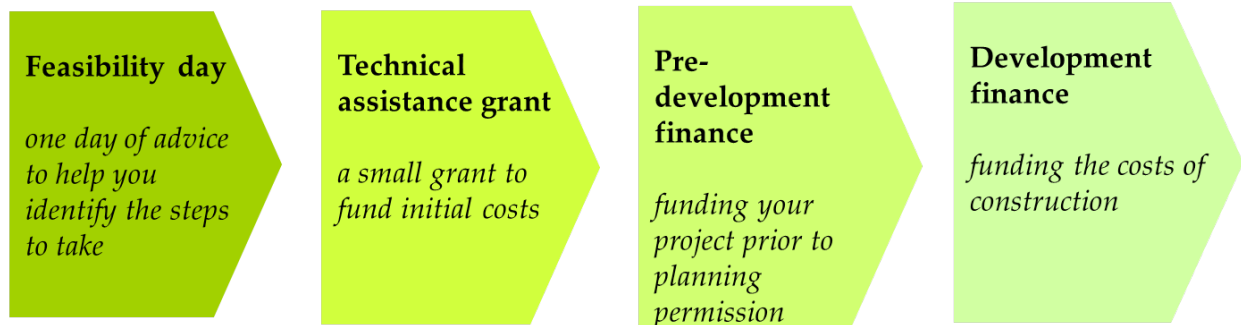


SELF-OP provides a logical route map to enable a local group to come together and to give clear pointers for success. As a strategic tool it indicates the ways to build a democratic partnership between local activists, local residents in village, town or urban neighbourhood, an architect, sympathetic local planners and social finance providers. The tool has been used on training courses to help CLT formation groups carry out local housing demand research to gather local affordability data on household incomes and for informing the effective design of a CLT scheme in a village or rural town. Most importantly this tool and such a systematic approach helps a group to structure their work in the right order and assists them to engage professional help from planners and technical assistance specialists.

The Commonwealth Wheel has applications well beyond housing design and construction and with some adaptations it's use can also provide the same type of clarity and help for other place shaping challenges and work including: local workspace, community food growing and community renewable energy projects.

Significantly augmenting this SELF-OP tool is the national CLT Fund that facilitates both risk and construction financing in ways, which enable local groups to draw down social financing as their readiness for different tranches of money advances with the completion of the six-steps of the Commonwealth Wheel process.

Support from The National CLT Fund for Six Steps



You can apply directly to any part of the fund

The methodology of the Commonwealth Wheel is now being slowly adapted as a tool for developing a few other decentralised local economy services such as community workspace and community renewable energy provision. The latent and active democracy building potential inherent in this process needs to be noted and underscored. Work to extend this methodology beyond rural housing to community energy projects is insightful as to the wider application for developing Garden City reconstruction work.

In 2011 the Low Carbon Economy Programme supported by Sustainability West Midlands enabled a regional trial of the SELF-OP methodology to assist the development of diverse community energy projects. The brief for the project was to develop an enabling support system for a diversity of community energy projects in the region. Localise West Midlands and Marches Energy Agency jointly led the experimental fieldwork.

For community energy projects the findings of this fieldwork is that the Commonwealth Wheel framework works. The project used the six-step SELF-OP system to appraise and support solar PV installations for community halls and church centres, to assist a micro-hydro project to understand ways forward, to clarify the ways to support community wind schemes and to support similarly a range of other community renewable technologies.

The West Midlands work generated:

1. A guide to SELF-OP and how the support system and the six steps work
2. 10 detailed case studies illustrating how SELF-OP works for a full range of community renewable technologies
3. A partnership support system for over 40 projects in the West Midlands
4. A mentoring course that has been successfully run regionally

The positive impact of SELF-OP as an effective regional knowledge transfer and support framework has been indicated by a range of successful outputs. For example, the first five schemes developed in the West Midlands for village halls, almshouses, a hospice and a church centre leveraged investment packages ranging from £11k to £52k for each scheme and these five alone secured income from the Feed-in-Tariff of £27,800 in year 1 and also saved CO2 ranging from 6 to 20 tons yearly per site.

What SELF-OP uniquely offers is a framework to enable partnership working to achieve rapid results by assisting community groups, the local authority, energy companies and social finance bodies to collaborate effectively so that project development can be systematised and projects can become social investment ready.

If effectively facilitated among the key local stakeholders, the Commonwealth Wheel can animate an active process of economic democracy along the lines of what Ivan Illich described as 'tools for conviviality'. Any village, town or city neighborhood can take up the SELF-OP approach to address a range of issues and needs. With more practice, local democratic and mutual aid among diverse stakeholders will improve. This participative and horizontal learning process for stakeholders can build local skills, grow confidence and enable countless local areas to commence the journey to a low-carbon, steady state economy.

With a revived Garden city vision and with ambitious urban projects like Evergreen on the rise in the UK in the years ahead, such active social-public partnerships need to become 'Commons Sense.'

Co-operative Land Banks – a modern model to capture wealth for new Garden Cities

Shann Turnbull, International Institute for Self-governance

The insight of Ebenezer Howard was to work out how to capture property development benefits for the shared wellbeing and welfare of the citizens of a town or city. Howard called his social innovation to capture economic rent a 'co-operative land society'. By updating Howard's approach, his success could be replicated under a Co-operative Land Bank system. How might this work?

A Co-operative Land Bank (CLB) is relevant to the master plan for the building of a new town or for the regeneration of an impoverished neighbourhood for say between 100,000 and 5,000 people. The central requirement for making such a large-scale community development or re-development project self-financing is that all the land becomes owned co-operatively through a company, as was the case with Letchworth. By doing so the cost of land can be removed for CLTs, for housing co-operatives and for pioneer homebuyers. In addition, several public policy objectives can be achieved including an increase simultaneously of economic efficiency, local democracy, social justice and long-term sustainability.

With ownership of the land in the hands of local resident home owners and tenants, the CLB is positioned to capture the uplift in market values created by the development or re-development of public infrastructure and private investment in urban facilities including community amenities, transport, supermarkets and commercial property including rental housing. The CLB stops rental income, profits, including surplus profits as well windfall gains draining out of the community into the deep pockets of external and foreign owners. The value captured enables CLBs, like the first Garden Cities, to be self-financing.

The ability of a CLB to become self-financing can be easily understood by considering what happened in London when taxpayers invested £3.5 billion to extend the London underground system. Following the completion of the Jubilee Line in the 1990s, property values within 1,000 yards of each of the eleven new stations rose almost four-fold to £13 billion. And who won the lottery? Not the vast majority of residents in the Borough of Southwark, that is for sure; they can hardly afford to buy a closet these days in south London. Not surprisingly, the windfall went right into the pockets of the mostly absentee property owners. Just like the proverbial leaky bucket, rental income and windfall gains due to public and community investments using both taxpayer and borrowed funds from the banks were sucked out of the community and right into the pockets of the wealthiest.

This example compellingly illustrates how the existing rules for owning urban land and buildings are inequitable, inefficient and operate against the national interest by enriching investors both domestic and foreign with windfall and/or surplus profits not required to attract their investment. The uplift and unearned increment created by the Jubilee Line development reveals how inequality is created in a way not reported by accountants and so not noticed by economists. In retrospect, the government should not have spent £3.5 billion of taxpayer's money to improve land values until the existing tenure of the relevant London property was converted to a CLB.

No government cash would be required to convert the current tenure system to a CLB.

The CLB would simply issue its own securities to make a take-over offer for all the affected London property. All resident home and flat owners would obtain a negotiable perpetual lease or what is described in Australia as a "strata title" for the volume of space occupied by their dwelling. This private property right would not possess any ownership in the underlying land. Resident dwelling owners would also be issued shares in the CLB on the basis of one share per square meter of underlying land occupied by their dwelling. Both the strata title and the CLB shares would now secure any Mortgages secured by the dwelling. No voting ordinary shares in the CLB would be issued to any non-resident or commercial investor; this would enable the equity value of the shares issued to each resident to increase by a multiple of four or more times. Commercial investors would obtain a strata title for their property until they fully wrote it off for tax purposes when it would then become owned by the CLB. In addition they would obtain redeemable non-voting shares for the value of the land under their strata title. The shares would be redeemed by the CLB when the life of their strata titles terminated. If necessary the CLB would raise cash to redeem the preference shares from borrowing money against the uplift in values created by the new infrastructure financed by taxpayers.

The CLB definition of property rights is based on the premise that the people who collectively use the land base (the site as the urban precinct is referred to) create its primary value and should share equitably in its value.

CLBs achieve this equitable objective by replacing static, perpetual and exclusive property rights for ones that are dynamic, time limited and inclusive. At a larger scale than is the case with existing CLTs in the USA and the UK, CLBs change the rules of the ownership to make it more efficient, equitable and so sustainable over generations on a less exploitative basis. Existing rules for owning real estate do not recognise three important social economic facts:

1. To obtain efficiency and equity, ownership of site values needs to be separated from values added to the site by buildings constructed on the site (CLTs are smaller in scale than a CLB and remove rather than separate site values).
2. Site/land values are not created by the owners but by external private and government investment in public and private infrastructures services, other private investment and housing development that adds value to the location.
3. Property developed may have little or no value if it is not used. It is the residents of property, whether they are owners or tenants of dwellings, who add value and therefore should share in values they create. To recognise these facts, CLBs allocate equity according to usage by introducing "dynamic", "time limited" and "inclusive" (or co-ownership) property rights to replace traditional static, perpetual and exclusive ownership rights. In this way tenants acquire co-ownership equity in both their dwelling and the shares associated with their dwelling according to their occupancy. Under a CLB there is no need for the 1967 Leasehold Reform Act because property rights are operationally transferred by design to the CLB residents.

The new rules for owning property are described as "ecological" as they follow the principles of life that is time limited and dynamic. Ecological property rights creates a way of plugging the leakage of profits and rents from flowing out of the community while at the same time positioning residents to gain equity in the entire site, not just the area occupied by their dwelling. Introducing ecological property rights also to the ownership of corporations and money would create an ecological form of capitalism that could be used to provide prosperity without growth.¹⁶

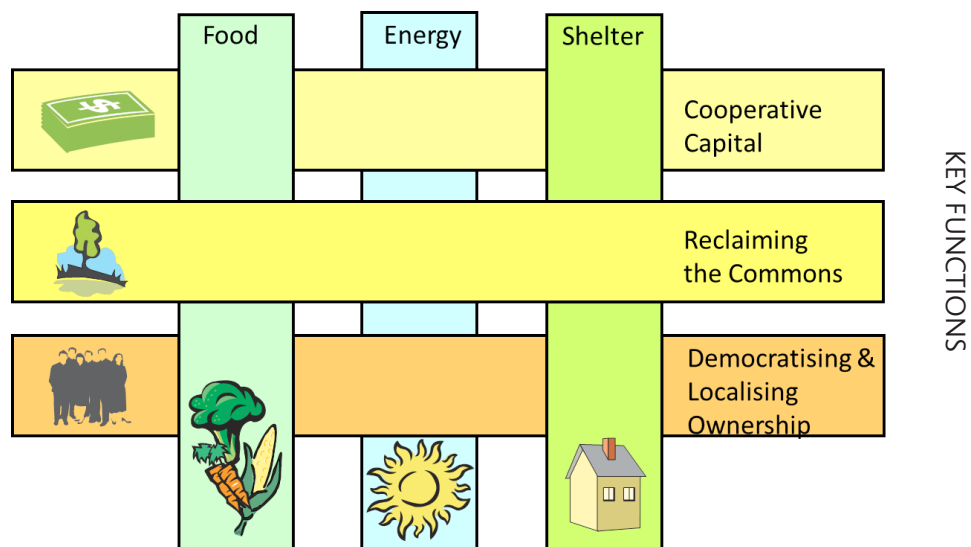
Case Study 12: The Co-operative Land Bank: a Self-financing and Ownership Transfer System for Garden Cities

Where a CLB building is a block of flats, each tenant through their rent or lease payments would obtain co-ownership of their dwelling at the rate of, say, 4% per year.¹ Co-ownership of all non-residential developments would be obtained by the CLB as these facilities are written down for tax purposes. The rights to income would remain with the commercial owner. The accounting profits for the landlord would not change; the bottom line remains the same. At the end of the 25 years the ownership of all shopping precincts, offices, factories, entertainment facilities and all other non-residential developments would be 100% owned by the CLB. This limits surplus profits beyond the point where the private owner has recovered the costs of the building in full and enjoyed a competitive return on their investment.

¹ The time-limited CLB leases for commercial and industrial sites are designed to mimic the depreciation deductions that businesses are allowed to make annually for improvements on their property, for instance a new building. Such an asset would likely be depreciated over say 25 years, thus allowing a tax deduction of 4% per year. A £5 million commercial building would be able to write off £200,000 each year until the building was paid for.

Co-operative Place Making Reweaving our Economies Closer to Home

COMMON NEEDS:



¹⁶ Refer to Shann Turnbull. 2012, 'Sustaining society with ecological capitalism' presented to a conference on Designing and Transforming Capitalism, Aarhus University, Denmark, February 9–10, 2012 posted at <http://ssrn.com/abstract=1954920> and Shann Turnbull 2013, 'Achieving environmental sustainable prosperity', in Nikolaos Karagiannis and John Marangos, (eds.), *Toward a Good Society in the Twenty-first Century: Principles and Policies*, Part II Sustainability, Ecology, and Good Society, Chapter 4, pp. 75–103, New York, NY: Palgrave Macmillan, <http://ssrn.com/abstract=1769349>.

Establishing a Co-operative Land Bank (CLB)

Whether the purpose is urban renewal or establishing a new city or town, there are eight key steps involved in the development of a CLB.

1. A company is registered for the purpose of operating the CLB. It is thus able to issue preferred shares. However, organizationally speaking it operates under co-operative principles – one vote per resident citizen, no matter the number of shares the resident may hold.
2. An option is obtained by the CLB to purchase a large parcel of land for development or redevelopment at existing use value.
3. The CLB obtains a re-zoning of the land. It is expected that this re-zoning will create an up-lift in the value of the site just as it does when a private developer wins planning approval. The increased value is captured by the CLB, thus enhancing its ability to raise finance for development.
4. The acquired land is then mortgaged. This puts money in the hands of the CLB to finance sub-division development, or, in the case of a blighted neighbourhood, the redevelopment costs. It also finances the operating costs during the early stages of the development. As in private property development, this stage also increases the value of the land.
5. The two types of lease are issued. The perpetual leases for sites of dwellings should have written into them terms and conditions that allow housing units to be mortgaged. The pioneer homeowners are issued shares in the CLB for free on the basis of, say, one share per square meter of the site occupied by the specific dwelling.
6. An immediate social benefit is the priority that the CLB gives to admitting people on government and social housing waiting lists as homebuyers or tenants. Each dwelling has associated with it as many shares in the CLB as the number of square meters the dwelling occupies.
7. Residents buy their homes by mortgaging their perpetual lease. If they rent it out at any time, the incoming tenant becomes a co-owner at, say, 4% per year.¹⁷ This provides an incentive for leaseholders to sell rather than to become an absentee landlord.
8. The flow of revenue to the CLB comes from three sources: a) residential rents and charges for services; b) commercial and industrial rates and leases that also capture any surplus profits; and c) from the trading in its own shares.

Tenants acquire a co-ownership interest in the shares associated with their dwelling and that is earned pro-rata to the period of time they occupy the property. If for example the investor who owns the building is depreciating the property for tax purposes over 25 years, then co-ownership of shares is acquired without any additional payment (beyond the monthly lease or rent) at 4% per year.

¹⁷ This operates for tenants in precisely the way that the CLB becomes an owner in commercial properties through mimicking the depreciation rate.

Case Study 13: Public Sector Land Banks and Community Land Trust Partnerships

John Stuart Mill's proposals in the 1850s for land nationalisation and other ways to 'capture the unearned increment' gave rise to public land reforms pursued by local government. Mill was directly involved during his lifetime with successful campaigns in London to develop public parks and to preserve green spaces from commercial development. His proposals inspired the development of municipal socialism from the 1870s including public sector led projects for the provision of light, power and water. The work of Garden City architects, Barry Parker and Raymond Unwin revolutionised the approach to town planning and urban design. Letchworth showed how 'co-operative land tenure' enabled the unearned increment to be captured for community benefit. Could this approach be updated for re-designing towns and cities in the 21st century? An exciting prospect is offered by the scope to link up public land bank and site assembly efforts to regenerate derelict urban areas with Community Land Trusts as a succession strategy. The conventional model is a public-private partnership which allows 'windfalls and free lunches' to be earned by the private sector. A revived Garden City approach can ensure housing affordability over the long-term and can capture the 'unearned increment' for the benefit of local citizens. Shann Turnbull's updated Garden City model based on the development of Co-operative Land Banks could be 'Win-Win' as it would enable private development finance to be harnessed through an ownership transfer arrangement structured and equitably repaid by avoiding the yield of 'surplus profits' in perpetuity. The CLT movement in the USA is in dialogue with local authorities to find ways to trial Public Land Bank and CLT Partnerships. As John Emmeus Davis argues: CLTs have a land acquisition problem in cities that impedes their expansion while public sector agencies have a land disposition problem following their work on 'removing contaminants, clearing title and readying sites for redevelopment.' CLTs can solve the disposition problem. There is an evident strategic opportunity for securing a complete paradigm shift with such a dynamic public-social partnership approach. For the fuller argument see the Shelterforce article by John E. Davis below.

http://www.rooflines.org/2928/the_untapped_potential_of_land_bank_land_trust_partnerships/

A homeowner must sell their shares to the CLB when they sell their home to a new buyer. However, if they leave after 15 years and they have only contributed 60% paying for their sites and services through their rent/rate, the CLB buy-back of their shares will be discounted accordingly by 40% for their unpaid share of paying for their pro rata share of sites and services. The difference between the initial issuing price (free in the case of the pioneer members) and the current resale price is a 'profit' to the CLB. For example, if the 100 free shares were worth £1000 per share after ten years. The buyer would need to pay £100,000 to acquire the shares from the CLB. However, the vendor would be subject to a 40% discount and so only obtain £60,000.

What are the benefits that a CLB would generate?

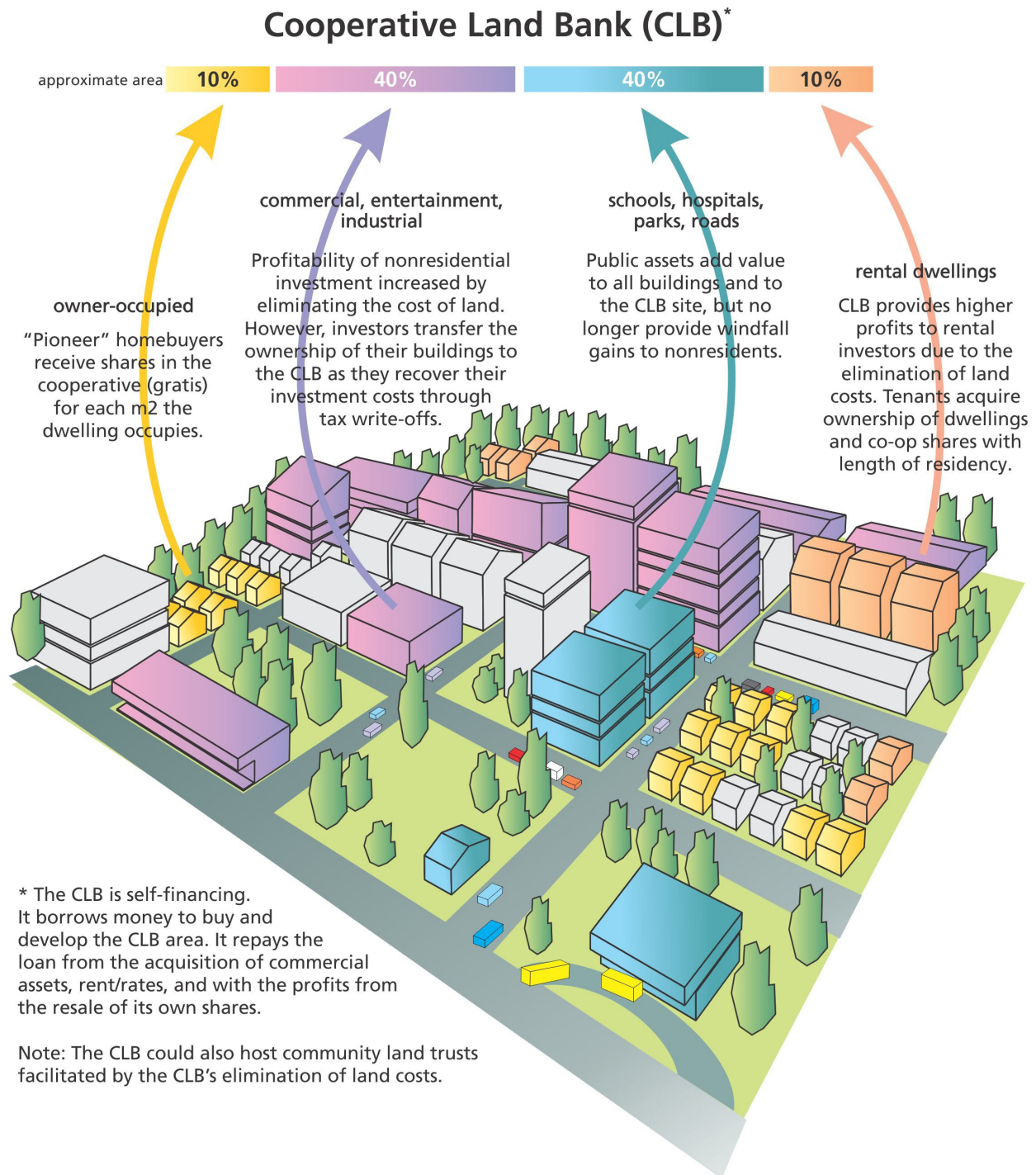
The first strategic benefit is that the cost of the land would be eliminated for pioneer homebuyers, and commercial developers, large and small. Community Land Trusts and Mutual Home Ownership co-operatives could also be kick-started fast as the CLB can provide them sites without cost and so overcoming the need for them to obtain a grant or gift to acquire land. This partnership could accelerate community land solutions and expansion as CLBs can eliminate the cost of land/sites by making them self-financing. As the cost of land is typically 50% of the price of a house in urban areas in OECD countries, CLBs can provide half cost housing directly and indirectly by hosting CLTs and MHO co-operatives.

Second, the need for taxpayer support for affordable housing is radically reduced or removed. The financing, revenue and equity building features of the CLB plus the removal of the land from the price of a house creates a self-financing capacity that is dynamic and powerful.

Third, the value created by all public investments in schools, hospitals, transportation, museums and the city hall are captured for community benefit rather than allowed to be lost as windfalls for private gain. This is not only fairer but it is also more economically efficient and appropriate.

Fourth, speculative real estate investment by commercial interests is mostly eliminated and the influence of developers on local and other government agencies, often aimed at increasing the value of existing private assets, is reduced considerably. This changes the business model of developers from buy, own and sell to encouraging them to becoming an agent for communities in managing their establishment and/or redevelopment. This partnership approach can also substantially reduce the business risks for developers.

Figure 3:



Source: Mike Lewis and Pat Conaty, *The Resilience Imperative: Co-operative Transitions to a Steady-state Economy* (New Society Publishers, 2012)

Differences between Community Land Trusts and a CLB¹⁸

	Features	CLT	CLB
1	Much easier to set up	✓	
2	Best suited for urban areas		✓
3	Best suited for rural areas	✓	
4	Best suited for non-contiguous sites	✓	
5	Suited for communities with less than 5,000 tenants and home owners	✓	
6	Depends on gift of land sites and/or cash for their acquisition	✓	
7	Can tailor design and issue its own securities for acquiring sites		✓
8	Can expand over large areas without requiring cash		✓
9	Captures value of planning approvals for residents as private equity		✓
10	Captures development values for residents as private equity		✓
11	Captures values of public investment for residents as private equity		✓
12	Captures for residents value of neighbouring private services & facilities		✓
13	Captures for residents profits in excess of the incentive to invest		✓
14	Tenants capture privately increments in value from sites not occupied		✓
15	Superior subsidies for home ownership and rental housing		✓
16	Higher incentives for tenants to maintain and improve dwellings		✓
17	Incentive for both home owners and tenants to improve public assets		✓
18	Market forces harnessed to promote equity and further social goals		✓
19	Distributes wealth without taxes or bureaucracy		✓
20	Allows low income families to acquire equity values	✓	✓
21	Introduces a systemic change in the nature of capitalism		✓

Fifth, CLBs help remove the ability for companies to sit on property for speculative purposes and ride on the upswing in urban markets to capture unearned profits. The windfall gains of the speculative private developers would be ended. Additionally the value of what is actually produced by firms would become more transparent in the process. This back door corporate reform facilitated by the CLB tenure system could contribute to market economies becoming more efficient, equitable and sustainable.

Sixth, pioneer homebuyers and all residential tenants can obtain equity, without extra costs, in both their dwelling and the value of the CLB shares associated with the dwelling. Tenant equity in their dwelling and shares increases pro-rata to their usage of the dwelling over time at 4% per year. This means that the equity cannot be cashed out until their dwelling has been sold or has been fully written off. However, it means that all tenants eventually receive a "nest egg" that could be used to purchase a home and/or contribute to their pension. In mature CLBs both homeowners and tenants could obtain dividends from the CLB shares. The CLB shares provide a way to reduce welfare dependency and to assure dignified retirement incomes - thus reducing the burden on governments for growing transfer payments.

¹⁸ Shann Turnbull, 2010, 'Self-financing Urban Development' presented to 21st Annual Conference of the Chinese Economics Association (UK) and second Annual Conference CEA Europe, July 5, Oxford University Chinese Centre, Oxford, <http://ssrn.com/abstract=1113603>.

Seventh, eliminating the cost of land can halve the cost of buying a home and attracts commercial investors to provide rental housing and non profit investors to set up CLTs and MHOS to provide sustainable affordable housing.

Eight, enabling a new type of economy that can democratise the wealth of nations at the local level without the perpetual pressure under our current system feeding an escalating need for rising taxes, big government and soaring welfare payments.

In summary, CLBs create a “co-operative and democratic way” to distribute national income without escalating the costs of taxes and welfare redistribution. They create an “alternative to private or public land ownership” and for making land sites and services self-financing in developing economies as noted by leading international experts.¹⁹ CLBs are ideal for redeveloping Garden Cities and could provide a bottom up building block for creating a locally owned and controlled political economy. This new type of economy will become essential to secure greater social equality in the 21st century while also providing prosperity without the devastating ecological consequence of consumerist growth.²⁰

Towards a New Garden City Movement

Philip Ross, former Mayor of Letchworth Garden City

Garden Cities are a radical proposition and always have been. Letchworth, the first garden city was launched in 1903 with a transformative mission. At its heart was the promise of common ownership of the town by the people who lived in it. Lenin was an early visitor to the town. It attracted other radicals too such as George Bernard Shaw and it was a home to conferences by the Independent Labour Party. But by the 1950s the town's population had swapped the Daily Worker for the Daily Mail; so it dropped the suffix 'garden city' because of its radical connotations, only to revive it again in 2003 in the belief that the moniker would help house prices.

Today Letchworth is regularly held up as a model for urban planning and development. Pictures are regularly shown of neat cottages fringed with green triangles and trees and Government ministers and officials talk of Garden Cities as being the acceptable face of urban development. Their focus is usually on the physical architecture and layout; it is forgotten that it was the embodiment of values of ownership and citizenship at its formation that made the town. These are the elements that can turn homes, shops, factories and business from being a collection of buildings into being a community.

When Ebenezer Howard wrote in 1898 his seminal work on Garden Cities, *Tomorrow: a Peaceful Path to Real Reform*, he was bringing together best practice and experience in a blue print for a new town. Today there are numerous cities, suburbs and developments claiming the suffix to describe their roots. Yet what is a 'Garden City' and how can you define one? This isn't a question for planners or architects, since they may find easy enough to build a gated garden city for the rich, but that is the very antithesis of what a garden city is. Our answer is that a Garden City is built on social principles and it is the role of the architecture and design to embody them.

19 Angel, S., Archer, R.W., Tanphiphap, S. & Weglin, E.A. 1983, *Land for Housing the Poor*, Select Books: Singapore. Refer to: Introduction and Summary, pages 2 to 31, Section IX “There are even alternatives to private or public land ownership”. Available at: http://books.google.com.au/books/about/Land_for_Housing_the_Poor.html?id=BL3YBAAACAAJ&redir_esc=y See also: Doebele, W.A. 1987, 'The Evolution of Concepts of Urban Land Tenure in Developing Countries', *Habitat Int.* 11(1): 7-22. Refer to Community land ownership, in a Section on “Direction of solutions” pages 18, 19 and 20. Text available at: <http://www.sciencedirect.com/science/article/pii/0197397587900300>

20 Shann Turnbull (2013) 'Achieving environmental sustainable prosperity', in Karagiannis Nikolaos & John Marangos, eds, *Toward a Good Society in the Twenty-first Century: Principles and Policies*, Volume 2, Basingstoke, UK: Palgrave Macmillan (Forthcoming 2013) <http://ssrn.com/abstract=1769349>.

After more than a century since Howard set out his original plan and with so much work since then of urban planning, community engagement and mutual ownership, we have sought to lean on that experience and best practices worldwide to answer the question of what makes a garden city. With that social intention in mind we have defined 12 social and universal principles as the foundation for the development of Garden Cities.

In May 2012 we went to Chengdu and Beijing in China to present these principles to planners, government and academics and found our views embraced with enthusiasm. China is building new cities and seeks a sustainable long-term social, economic and environmental model. In September 2012 the UN Habitat World Forum listened to our case for the model. Experiences from the development of the growing number of CLTs have informed our thinking and are helping to advance the debate.

To us the consensus is that a Garden City is not about charity and paternalism but about empowerment and citizenship and that these virtues are built through ownership, participation and accountability. But the fire at the heart of any garden city is citizenship and it is lit by acceptance of the general principles of ownership and participation and kept going by their practice.

Our plan is to build upon this knowledge, practice and experience and encourage others to join with us, for we believe that the future of the Garden Cities isn't a catalogue of good practice but to become a social and progressive movement for change. Our 12 principles are listed below in outline. We would urge people to read our pamphlet and engage in debate with us:

1. Residents are Citizens of the Garden City.
2. The Garden City owns itself under a form of community land trust
3. Energy efficient and carbon neutral
4. Provides access to land for living and working to all.
5. Fair Trade principles are practiced.
6. Prosperity is shared (e.g. participatory budgeting; local currencies).
7. No special privileges for anyone.
8. Fair representation and direct democracy.
9. Participatory design and public spaces.
10. A City of Rights and the right to the City.
11. Knowledge is held in common, shared and enhanced.
12. Wealth and harmony measured by happiness.

www.newgardencitymovement.org.uk

At this conference in Letchworth we have heard from numerous speakers from the Co-operative movement, urban planners, those in the planning industry and environmentalists, all echoing one or many of these principles. In our workshop discussions about community land ownership, money and governance the principles were again echoed as they are all about participation and the sharing and retention of prosperity for the good of the city and not absent landlords.

Together we should collaborate to plant the seeds of a new Garden City movement. At the heart of this movement we must co-develop community land trusteeship and active democratic citizenship.

9. Pathways for Action: Findings from the Task and Problem Solving Groups

The participants at the Letchworth conference spent sessions working in groups to address key questions and to draw up a set of pathways for reviving Garden City practices. They were asked to consider this challenge by distilling lessons from the success of Community Land Trust innovators. The findings from these working parties indicate a new direction of travel and, in particular, highlight how different complementary strands of action can be creatively integrated and cross-weaved.

How can City-CLT Partnerships be developed?

The group was chaired by Catherine Harrington (National CLT Network) and began with a presentation from Steve Bendle (Community Land and Finance CIC).

The presentation highlighted the success to date of rural CLTs and highlighted the comparative failure of urban CLTs, although there are several urban CLTs in the pipeline. Steve identified a number of factors, which tended to underpin successful CLT projects and also highlighted other factors, which tended to undermine such projects. This was the basis of a wide-ranging discussion amongst the group, which drew out guidance highlighting four key facilitating factors to enable urban CLT success.

Roles of Advocates, Enablers and Pioneers

The CLT movement in the UK is still relatively small but it is gaining momentum (drawing strength from the 'development without displacement' and community organising roots of CLTs in the USA, and from UK historical precedent, notably Letchworth and from community land policy and practice developments on the 'Celtic fringe' first Scotland and now Wales). To gain support in England and in urban areas, the organisations that advocate co-operative and mutual housing solutions (the 'advocates') must continue to work closely together. They must look for the means to promote their 'products' in ways that are much easier to understand - stripping out jargon and unnecessary technicalities - and in a fashion that is accessible and attractive to potential users and beneficiaries.

The development of the Co-operative Stakeholder Group and the Pioneer Projects in Wales for CLTs is important in this respect and the various partners (Welsh government civil servants, housing association sponsors, affordable housing pressure groups, Co-operative sector and others) are making progress in:

- Staking out the common-ground
- Identifying the key messages and
- Developing a shared agenda.

Importantly, the Letchworth conference served to inform the strategic importance of collaborative work like this among diverse stakeholders.

CLT projects are more likely to proceed when local politicians, relevant officers and other parties are successfully brought on board. It is important to understand their perceived needs and priorities and to see how the CLT model can address these. Rural CLTs have taken off because the need for affordable rural housing is widely recognised and CLTs provide a potential solution. Similar thinking needs to be applied in urban areas to win the support of the 'enablers'.

Finally, it seems that individual projects typically benefit from the enthusiasm, commitment and sheer bloody-mindedness of 'pioneers'. These have to be identified, nurtured and supported, while the projects otherwise are finding their way through an often tortuous and protracted development process.

The importance of Exemplars

Everyone recognised that in the field of co-operative and mutual housing, and in relation to specific models such as CLTs, 'success breeds success'. Progress during the early years was slow and halting at times but now there are a growing number of projects that have proved the value of the CLT model and there is a growing band of pioneers that have been joined by generally appreciative users/residents. In the past year, a new CLT was formed once a week on average, and the rate of expansion increases constantly as the model proves itself to communities. As the model expands into new areas and is innovated upon further, the rural platform forged in the early years is increasingly being tested in new urban contexts.

What is needed is a national register of such projects across the UK and easier ways of accessing information about them. Currently information is dispersed, difficult to find and it is not always presented in a way that is easy to understand. Work through the National CLT Network and other organisations has made significant progress towards overcoming these limitations; but there may still be an argument that an overcrowded market of products and models confuses the message.

A clear and well-designed central "information hub" would be a great resource for the sector. The Internet is a useful tool and some websites (including that of the National CLT Network) are beginning to overcome these limitations but are there too many competing 'products/services'?

Triggers and opportunities

Innovative and radical projects can take off when a particular trigger is identified and a sudden opportunity grasped. Coin Street in London is a classic example of this. Radical change in the role of the state centrally and locally is a clear challenge but work to make this happen opens up opportunities, including: the current pressure to transfer land and assets, spontaneous local action and so on. Smart thinking will be needed to develop projects and initiatives that 'catch the wind' and can take advantage of a rapidly changing situation.

There are a number of precedents of community-led housing in our cities and we must co-opt the successes from different places to inspire the next generation of urban CLTs and co-operatives. This is not about promoting particular models, be that CLTs, or co-operatives or cohousing. It is about local solutions to local issues and we must think together and work together to create a really powerful community-led housing movement.

The Four 'golden nuggets' agreed by the group for guiding action are:

1. To capitalise on the current interest in re-inventing Garden Cities to promote community-led solutions, including community-led housing, community food, farming and community energy generation.
2. To highlight the Garden City model's mission of re-investing in communities. This is about long-term investment and long-term benefits.
3. To find novel ways to inspire active citizenship in a country where people have become passive;
4. To raise awareness of what's possible through 'seeing is believing methods' that get the word out about CLTs, co-operatives and community-led housing

Strategic Drivers for leveraging a breakthrough

The following four action areas will enable the CLT movement to develop an urban agenda by linking up currently isolated civil society action. This strategy will attract broader and deeper levels of partnership and social investment.

1. Forging political leadership for the principles of mutuality and co-operation at both national and local levels and advancing the practice of social-public partnerships.
2. Putting in more effort on community engagement to create the space for communities to work together across a range of needs where community land access is the common denominator.
3. Making common cause with those who have similar aims, for example, management co-operatives and other self-organised forms of housing including Co-housing and community self-build.
4. Finding a way to describe what CLTs offer, which is more universal and includes a broad range of forms of grass-roots action on affordable housing and co-operative place making for renewable energy, local food and other basic needs.

How can the benefit of CLTs be promulgated to win the policy case nationally?

John Best, the former Chief Executive of Milton Keynes, chaired the session. The group worked from the identification of the barriers to success and then on to the consideration of what the generative opportunities are to make a breakaway play. The findings and the guidance that they agreed upon are:

1. What are the barriers to success?

Rather than a focus on obstacles the group identified five strategic action areas to unlock development and to ensure success for community land solutions.

Recognition: There is a failure by society to recognise the urgency for action and to see where and how to work collaboratively. Practical forms of linked co-operation are the key but this goes against the grain of the last 30 years that have discouraged mutual aid. As a consequence there is a mindset barrier and along with this a real difficulty in securing (or even identifying) political leadership. As a result Community Land Trusts are not recognised yet for their potential as vehicles for both bringing civil society actors and local authorities together. This needs to be challenged, education and advocacy will be vital and focused efforts will be needed to get community land tenure solutions to become widely recognised in planning policy documents.

Process: Public-Private Partnerships have turned out to be very expensive through a reliance on Private Finance Initiative funding that has created a legacy of public sector debt. Despite this there is a lack of recognition of the need to move to a bottom-up approach. Civil society led Social-Public Partnerships are essential and this needs advocating to enable local conversations across interested parties. Top down conventional models of urban regeneration are costly and not inclusive. To say the least, this is because of the sheer Impossibility of making a single approach fit all eventualities. Co-operative place making approaches offer creativity and flexibility for the matching of fitness to context.

Clarity: Rural community land solutions for housing and other needs are simpler to see the need for and the message to decision makers is almost self-evident once a working set of models has been developed. By stark contrast, cities are complex and are far harder than in rural areas to define local priorities. Giving priority to the groups that would most benefit from CLTs is vital and must not be lost sight of. Success in rural areas show that they work well for meeting the housing needs of those in the intermediate market between social rented housing and the mainstream mortgage market. But at present there is no agreement that our target is a growing “Squeezed Middle”. Clarity of communication and building support requires working where people are at to secure engagement. A pre-eminent focus on co-operative housing (at the expense of other options as well) may alienate.

Capacity: This is a formidable challenge. Deprived localities may lack the articulate capacity needed and there is a serious lack of technical assistance in place. Co-operative education structures have been in decline over the past 100 years. CLT terminology is not widely, let alone, consistently understood. A shift from rural to urban CLT work requires a major resourcing drive to address the absence of facilitation money to help build capacity. Unlike rural areas, land in cities is contested, frequently in short supply and there will commonly be a shortage of suitable urban sites for projects.

Diplomacy: Existing institutions may be jealously resistant to change. Community land solution advocates bring something new but as newcomers they need allies for success. Diplomacy is key and forging ‘win-win’ alliances with housing associations and other potential competitors will be essential to overcome the difficulty in handling local politics and vested interests.

2. What is essential to make a strategic breakthrough for community land solutions?

Spreading the word: Implementing local conversations are key to paving the way to programmes for action. Talking about the very inclusive concept of “Healthy Places to Live” is a good place to start. The unique selling point for CLTs is their scope to positively and practically address a wider range of co-operative issues than just housing, including workspace, green energy, local food growing and community facilities. Groups working in these different areas need to collaborate and organise jointly events that share and promote successes and good practice and further stronger alliances.

Co-operative education: Once civil society place shaping action is happening among groups, social-public partnering can be developed for co-developing programmes of co-operative education. This is crucial to promote wider understanding of the issues as well as the practical opportunities and additionally to firm up joint planning on ways to achieve success. Support for the development of knowledge transfer and peer-learning networks is essential.

Instigating demand: The growing ‘generation rent’ and finding ways to meet their needs is a golden opportunity. Young people need to be at the forefront? Will they see their future home as an (tax efficient speculative) investment, as many current homeowners have been able to do; or will they be more concerned about security of tenure, affordability and utility? Ways and means to get them involved in a movement to meet their needs has to be a strategic objective. Engagement with the young successfully has the clear potential to drive and snowball successful good practice.

Local authority engagement: Through education and effective advocacy with the public sector the doors can be unlocked to secure land at the right price. Rural CLT work has shown ways to do this. In particular there is a need to increase the understanding that assets don't have to be transferred from local authorities at full value. Lessons should be learned from the Welsh strategic development model for Mutual Housing and the spread of such pro-activity and community land partnership models needs to be advanced nationally.

Legal reform: Showing practically how community land solutions create sustainable livelihoods, affordable housing and access to land for a diversity of local needs is vital. The securing of changes to legal frameworks needs to be a strategic objective and most importantly the reform of leasehold enfranchisement is needed both to extend and defend community land solutions for the stewardship of community wellbeing and for the preservation of housing affordability in perpetuity.

3. What can be done to improve access to effective forms of finance?

There is a strategic and practical need to instigate both broader and radical root building work and to develop forms of seed finance and long-term, patient co-operative finance for urban community land solutions. Several weak areas exist. The National CLT Fund has pioneered creative ways to manage up-front risk areas and to bring together an effective practical partnerships between philanthropic forms of finance from charitable foundations and to ally this with social venture funding, community development finance and construction and longer-term finance from social banks.

For the development of Community Land solutions in cities there is a major need to increase access to pre-development finance for community led housing projects. Increasing access to local finance through community share issues will be a growing need for community energy and local food projects. Additionally funding mechanisms for non-commercial projects will be needed to ensure viability.

For young and first time homeowners, mortgage access is still a major issue. Collaborative work is needed among social banks, CDFIs, mainstream banks and Government to co-develop products to ensure access to mortgages for people in work who have little savings to fund large deposits. There is an additional need to negotiate conformity among CLT mortgage lenders with regard to acceptable documentation for shared ownership or equity schemes. According to Charity Bank, this is a constantly changing challenge.

There is additionally and evident need to supply gap finance and access to mortgage guarantees as required. The significant development of Co-operative housing, renewable energy, district heating and combined heat and power has been enabled by innovations led by the social banking sector and joint ventures co-developed with local authorities. This will be needed to increase access to long-term finance and capital for groups of CLTs and Garden Cities from pension funds. Changes to legislation to enable CLT housing to be eligible for CITR (Community Investment Tax Relief) to attract increased investment would enable patient capital to be released.

What changes to the planning system are needed to expand CLT development?

The group members situated the thematic question in a broad strategic context with a sharp focus on the fundamental issues of who controls housing and who controls land, especially housing development land. The answer is that the major house builders (now only 9 in the UK) buy up all the major sites of allocated land, and take options on other land that they think may be allocated in the future (in other words reach an exclusive agreement with the farmer, or other land-owner, to purchase as and when). The local authority, in consultation, and subject to the inspector or panel's perspective, decides the amount of land released.

There are at least four interlocked reasons why the planning and housing systems at present militate against CLTs and for that matter impede other forms of intermediate housing and social housing.

The first is the inadequate amount of housing land allocated (in the south of the country at least) in relation to demand and need. This is a long-term problem but has been exacerbated by the abolition of the Regional Spatial Strategies. Councils seek to minimize the political fallout from green-field housing proposals, and would often rather lose appeals because of the lack of a five-year supply of housing land so they can blame someone else for the green-field development.

The second reason is the domination of land available by the major house-builders, who do not see their job as supporting CLTs unless their arms are firmly twisted.

The third is the alliance of big developers and local planning authorities, whereby the authority positively facilitates the control of housing by the major players, because it is far simpler to negotiate with one developer and extract Section 106 monies for social and physical infrastructure, than it is to negotiate with a host of smaller ones.

The fourth is an unwillingness of the major companies to invest at the present time and evident by a level of housing construction at an all time low and a fraction of need. The reality below the surface is that the industry is investing a great deal in rebuilding their balance sheets, making supply chains more efficient and buying new land supplies cheaply. They are just not building because no one can make them. They now don't have the capacity to do more, because they don't need to have it. In this context the planning group made a number of key action points:

Garden City Planning: Strategic or regional growth plans are needed, including the planning of housing numbers. Both should be re-introduced, so that NIMBY local authorities are obliged to act, and so that co-ordination between authorities does not simply rely on the obligation to co-operate.

Educating decision makers: There is a need to identify and train regional decision makers in best practice and enabling planning frameworks. Development control officers on councils need to be retrained.

Local authority champions: Greater certainty for CLTs could be created by clear statements in planning policy documents; but there is also the need for key councillors to act as champions of the cause.

Re-empowering local authorities: Major developments should not be left in the hands of the large house-building firms, but should be taken over by a revitalised local authority sector, and pursued either by compulsory purchase or by partnership agreements. There are excellent examples of this approach in Europe, especially in the Netherlands and Germany. The local authority can recuperate the upfront cost through a later sale of development plots and parcels. This is very difficult at present in Britain because of the Treasury's tight controls over local authority finance.

Participatory Planning: The local authority should then master plan the development, plan the delivery of the physical and social infrastructure, and ensure the availability of plots to a wide variety of house providers and co-operative groups, including CLTs and individual households.

Neighbourhood Co-production: The maximum size of a development parcel could be set at 2 hectares. If the Freiburg model from Germany was adopted, then every block (as defined by the street system) would have a range of investors. The mission of this new way forward would be to ensure a wide variety of tenure, type and cost of housing.

Community led development: Incremental change is needed rather than always going for major commitments, and this implies allocating more small sites (less attractive to big companies) through the Local Plan process and ensuring that major sites can be developed in bite size chunks and thereby become more open to CLTs and other mutual housing projects.

Collaborative Design Code: Development form would be managed through a simple and robust design code, ensuring co-ordination between neighbouring investors (again, several other European countries provide admirable examples).

There is an evident need to endow the concept and practice of land and commons stewardship. Fundamental to this paradigm shift would be the need to retrain planners to ensure that stewardship and the knowledge of places precedes the design of places. This could be achieved by:

- Cutting through the design and planning jargon, getting back to basics and addressing the fundamental questions about how do people want to live as the guiding theme.
- Defining what is meant by a planner broadly, more inclusively and embracing linked design, landscape and engineering in a manner that fosters collaborative working with regeneration professionals, public and private developers and that fully expects them all to be aware of the issues.
- Ensuring that these diverse planning process actors and agents recognize their social and environmental responsibilities - in relation to social justice and climate change.
- Encouraging planners to locate themselves inside communities as environmental stewards, working with people, not as external regulators.
- Educating planners to be pro-active and proscriptive, not prescriptive or bureaucratic.

All of these aspects of planning are integral to the concept of spatial planning, which is widely practised in mainland Europe, and which partly explains why the developments that we admire are seen as just normal. Ideas about spatial planning were the driving force behind the planning reforms of 2004 and later, but the content of spatial planning was lost in the burden of process reforms introduced by central government through legislation and policy guidance. Finally and not least there is the need to involve more young people in the planning of CLTs and co-housing (currently but mistakenly assumed to be dominated by middle-aged to elderly white people). In the view of the youngest member of the group: it may be that the aspiration of young people is to own their own home, not joint equity of some kind - thus viable new ideas about co-ownership must be marketed in the right way.

How can a national approach for Mutual Home Ownership and housing co-operatives be forged?

John Goodman of Co-operatives UK acted as a reporter for this group. Workshop members agreed that the housing market was now dysfunctional: fewer new homes were being created than ever before, homes were becoming less, not more, affordable and the big players had run out of answers. Participants were clear that new forms of finance were needed.

There is a range of models that should be pursued to maximise the potential for the Co-operative and Mutual housing sector to display the kind of innovation and creativity that is desperately lacking in mainstream housing provision. Examples include: rental co-operatives; limited equity co-operatives with finance from local authorities; and larger co-operatives (as is commonly found in other EU countries) collaboratively involved in development and leading to mixed forms of co-operative tenure, transferable forms of equity and with maintenance and common services provided by a co-operative. Such mixed tenure models are commonplace and well developed in Denmark. Cohousing is also popular in Denmark where it started and has since spread across the rest of Europe amongst families and older people. Some cohousing developments are intergenerational and some are older people only or families only. Cohousing is rapidly gaining popularity in the UK.

Co-operative and Mutual housing includes many models of delivery: the choice of which model to adopt is partly a social and personal one and for many people also includes the opportunity to be engaged with the physical design of the homes.

Complexity may be blocking progress. For example, was the lack of growth in Co-operative and Mutual housing due in part to its complexity as compared to other forms of housing provision (owner-occupation, private rental, social rental)? The scale of co-operative housing in Europe is vast and we should learn the lessons from Scandinavia, Germany, Italy and other countries for triggering successful expansion in the UK.

The Mutual Home Ownership model and some other forms of co-operative housing, where rental or equivalent payments are related to the residents' incomes, requires income disclosure. Some group members thought this could be a potential obstacle. However there are solutions as this personal data can be confined to an officer of the co-operative who keeps the information strictly confidential.

Age is another contentious issue raised including the pros and cons of multigenerational housing as against, for example, housing co-operatives for older people or young families. The key point is that a plurality of models of Co-operative and Mutual housing is needed to help address the housing problems for the 80% (and rising) of the population who cannot, or will not, run the risk of crippling debt. There are also the linked challenges of persuading the holders of resources to back and fund Co-operative and Mutual housing schemes.

- Participants came up with some elements of a national, government-backed, approach:
- An agreed recognition that the key components are access to land, stable forms of tenure, finance and partnership.
- Tenure clarity: define a CLT throughout the UK, stop leasehold enfranchisement and establish tenure based on a right of occupancy through membership of a co-operative.
- Funding: long-term non-state finance backed by government guarantees is needed.
- Public-social partnership: the co-operative movement should forge a partnership with government to co-develop and provide finance guarantees to enable the mutual housing solutions to emerge.

Case Study 14: Cohousing pioneers in the UK

Cohousing encompasses the ideas of intentional community and a neighbourhood that people have designed and where they choose to live in a supportive way with each other. People live in their own dwellings but there is often a common house where people meet regularly and socialise with accommodation for guests to stay and where shared goods and equipment can be stored. Co-determination, sustainability and support are important cohousing principles. Dwellings are typically designed to offer quite modest living space with the accent firmly on carbon neutral methods, green and sustainable building materials, renewable energy and food growing space. Cohousing can be developed for any tenure but development partners like CLTs and housing associations are needed for rental models involving public subsidy. What attracts people is certainly not the long hours it takes to get a cohousing group off the ground. Rather it's the promise of a better quality of life, a sustainable way of living, a safe place to live and a village like friendliness. Typically it takes a cohousing group between three and five years to go from a first meeting to a new build or renovated cohousing community ready to move into. Members have to be prepared to work hard to develop their group, to get used to talking through ideas and to taking decisions together. Consensus decision making is the starting point for most cohousing groups and this takes time to learn. The most established cohousing community in the UK is Springhill in Stroud. The LILAC mutual home ownership society development in Leeds and the Lancaster cohousing community are amongst the newest. Some are only for owner-occupiers while others are mixed tenure. LILAC has devised a unique funding model that offers new possibilities for social renters. Most cohousing is aimed at intergenerational groups of people or families but the first older people's only cohousing community is being developed in London. Currently about 43 cohousing groups are working together to develop cohousing communities through the UK Cohousing Network www.cohousing.org.uk. Recent research commissioned by Newcastle University, the Quality of Life Partnership and Newcastle Elders Council explored the interest amongst older people locally for developing cohousing groups. The research demonstrated that older people are keen on cohousing and they are attracted by the processes involved for self-determination. Older people are particularly keen on having a range of housing and living alternatives and commented that talking through ideas about cohousing helped them free up their minds so they could think more broadly and imaginatively about the lives they wanted to have. See www.qualityoflife.org.uk

How can we link up co-operative solutions for community energy services and local food provision?

These questions were explored in two groups that addressed a separate area of basic needs provision within a Garden City vision and distributed models of co-production.

Community Energy Services

The first group looked at how District Heating and Combined Heat and Power could be linked up with CLTs. This group chaired by David Ames (Letchworth Garden City Heritage Foundation) discussed a presentation made by Michael King. The main findings were as follows:

Community involvement in schemes such as Estate renewal can lead to co-production projects, which have a positive impact on people's lives and can renew the places where they live and work. Such a direct focus and problem-solving engagement on energy efficiency and energy services provision can lead to enhanced local skills and opportunities; in particular, these efforts can be linked to education in ways that develops both political and practical skills among citizens.

Co-operative-Municipal Partnerships and community ownership of energy systems enables energy generation to be more acceptable. If delivered by way of CLTs or municipalities there is confidence and trust established through a democratic assurance that trading surpluses would be shared and reinvested. Moreover controls can be put in place to avoid uncontrolled high prices and profits going to corporate shareholders. This co-production approach enables a long-term view.

1. **CHP and renewable energy:** The encouragement and embracing of District Energy systems, will ultimately lead to a reduced level of demand and the eventual cessation in demand for fossil fuels. Evidence from Denmark is showing that a conversion of Combined Heat and Power to renewable energy is achievable.
2. **Risk reduction for investors:** Community renewable energy development can be greatly facilitated by community land and asset ownership. Energy systems in community ownership enables a long term and de-risked approach to securing funding, leading to lower borrowing rates and making schemes more affordable, without having to seek private sector involvement.
3. **Lessons from Scandinavia:** A master planning approach to the delivery of District Energy systems during the first stages of the planning process, will enable the incorporation of energy systems to be effectively integrated by ensuring that the load is spread during the day and night, making district renewable energy systems more viable in the years ahead.
4. **Attracting patient capital:** Lessons from best practice are needed. For example, Bayston Hill Church in Shrewsbury has developed a 30kW solar PV scheme on a church hall roof with social finance at 1.5% from the Diocese of Litchfield. This is a nationally replicable scheme.
5. **Commonwealth Wheel for guidance:** Projects need effective leadership and technical assistance, otherwise much time and money can be wasted. Many community energy projects have been struggling for years to secure planning permission. The Commonwealth Wheel support system developed in the West Midlands can help community energy schemes succeed faster through a six-step strategic approach.

6. **Co-operative legal structures**, such as community benefit societies, can both successfully develop renewable energy schemes and raise the finance from community shares. For example Gen Community CBS has raised £450,000 for a solar PV scheme to alleviate fuel poverty in Newport, Gwent. Similarly Ecodynamic CBS was set up by the Biodynamic Land Trust both to develop and run a wind turbine and to reinvest the profits to secure land access and for additional renewable energy schemes (www.gen-community.co.uk; www.ecodynamic.org.uk)
7. **Co-operative energy planning**: Britain needs a community renewable energy policy as robust as Denmark's, where community renewable energy co-operatives work in social-public partnerships nationally in cities and towns and generate significant amounts of energy and reinvest profits in the community. Planning and public subsidies are directed successfully in Denmark to support the community renewable sector. In both Denmark and Germany, local and sub-regional co-operative ownership of energy is propelling success. Over 50% of renewable energy is in community or co-operative ownership in Denmark and Germany compared to only 3% in the UK.

Community supported food systems

The second group looked at cities and local food growing best practice and links to Community Land Trusts. This group was chaired by Martin Large and considered two presentations by Mark Simmonds and Pat Conaty from Co-operatives UK.

There is increasing demand for food growing land in urban areas, with national waiting lists for over 100,000 allotments. The Todmorden Incredible Edible project has shown how a range of town spaces, from window boxes and shared gardens to roundabouts and parks can be used for growing food. The Making Local Food Work partnership has made a vital contribution to the successful development of the local food movement, but this needs to continue to evolve and develop if the community supported food economy is to develop from pioneer beginnings to viable community supported food systems.

As innovative work under social-public partnerships is showing in towns and cities, both here and abroad, community land trusteeship is a *sine qua non* for success. The main findings were as follows:

1. **Community food start-ups**: Setting up a successful food growing business is a big challenge and need not involve the purchase of land. The Community Land Advisory Service (CLAS) can help with access to land on a meanwhile or longer-term lease agreement.
2. **Community supported agriculture (CSA)** schemes thrive on direct marketing and proximity to urban areas. But they need long-term security of tenure to make the investment of time, skills and capital worthwhile.
3. **CLT food growing land**. Cashes Green CLT in Stroud, Gloucestershire has reinstated the allotments on a redundant hospital site. Fordhall Community Land Initiative is a CLT that secured Fordhall Community Farm at Market Drayton, Shropshire through a successful community share issue that attracted 8000 members. The Biodynamic Land Trust secured farmland for Tablehurst Community Farm in Forest Row, Sussex. Letchworth Garden City set an early example by securing farms, allotments and community gardens.
4. **Local Food Partnerships**: Local authorities have the opportunity to carry out strategic planning of community food enterprises and systems. They are also in a position to support local people wanting to grow food by collaborative work that facilitates land access for community gardens, allotments, city farms, food hubs, secondary co-operatives and buying policies. Groups in Bristol, Edinburgh, Glasgow and Brighton are developing new social-public partnerships methods for the community food sector, as are other local authorities.

5. **Reviving the Commons:** Planners need to ensure that suitable land is secured as a commons in new developments so that community supported food growing is given a leg up.
6. **Community Lands Banks:** The work of the National Federation of City Farms and Community Gardens to develop Community Land Banks for local food growing in cities and towns across the UK is a strategic complement to the work of the National CLT Network to open up access to land for affordable housing development.

How can a Co-operative land movement revive the Letchworth Garden City model?

This strategic question was placed by the group members in the context of what lessons can be drawn from both the history and practice of Letchworth, the historic Co-operative movement involvement with both Garden Cities and the more recent emergence of Community Land Trusts as a dynamic form of Co-operative Place Making. Robin Murray (LSE) and Hugh Barton (University of the West of England) facilitated a generative discussion.

A good way to kick off a partnership between the Co-operative sector and the Garden City campaign of the TCPA would be to organise an Innovation Lab. A sound way to do this would be to assemble 100 people aged between 18 and 35 to meet once a month for a year to generate ideas for the incubation of CLTs and housing. The next step would be to hold an annual meeting to discuss and settle the Committees of 100 for the following year.

A shared vision and challenge posed to the Innovation Lab participants would be to work out ways to recast the Ebenezer Howard idea of Social Cities into a new concept, of Connected cities, where existing towns are connected by railways, both existing and extended (running every 10 minutes or less), with the stations acting as nodes for 'ped sheds' in which all houses/amenities are within one kilometre of the station. This concept has been worked through on www.ConnectedCities.co.uk The Innovation Lab would encourage groups of those under 35 to identify sites and buildings that could act as a site/hub for community services such as health care, community gardens and a local innovation lab. A good example is the Fab Lab established at the Ashton Centre in the New Lodge area of Belfast.

The Innovation Lab participants should be encouraged to consider how best to revive Lloyd George's vision of nationalising land but do so in local stewardship ways that progressively take land into public and community ownership (as has happened since the 1990s in Scotland). The Gandhian Bhoodan (Land Gift) and Gramdan (Village Gift) movements led by Vinoba Bhave and J.P. Narayan would be one way of advancing this by simply requesting that large corporate and individual landowners give a percentage of their land to communities to develop Garden villages or cities.

The Co-operative societies should play a proactive role through collaborative partnerships to help emerging Garden villages, towns and cities to develop new co-operative services, such as social care, health and wellbeing centres run by GP co-operative practices, radio and cable television, community broadband, as well as repair, food, energy and transport provision.

This strategy should aim for early wins to scale up success. A short-term objective should be to foster a national co-operative campaign to revive the commons by doubling the number of CLTs in two years from the current 100 under development. A rapid start could be made by securing a commitment from the Welsh Government to increase their mutual housing and CLT pathfinders from 10 to 25.

The Co-operative land strategy mapped out included seven action points.

1. **National Community Land Campaign:** Approach the Co-operative Group and the Co-operative Retail Societies to canvas possibilities for CLTs among their membership. Provide various models and background material for circulation to members and member groups for this purpose.
2. **Co-operative Place Making course:** Develop an educational package with accreditation through the Co-operative College to develop the skills to establish CLTs and to provide the necessary support services.
3. **Co-operative Housing and Industrial Innovation Bank** co-developed by Co-operatives UK, the co-operative retail societies, the National CLT Network and the Community Development Finance Association (CDFA) to provide a source of funding for the new CLTs, and the housing and industrial employment to go with it (not least funding co-operative housing and worker co-operatives). Ask every co-operative in the UK to contribute 20 ideas for advancing CLTs and for increasing co-operation within existing Garden Cities.
4. **Plug the Leaks Mutually:** Identify the leakages from the co-operative economy that take place (notably in finance) and develop clusters of co-operatives to capture the surpluses that leak in this way. Undertake a study of small co-operatives to appraise what rates they are paying for both capital and rent and develop alternatives to lower these costs.
5. **Co-operative Land Partnership:** Request all retail, housing and agricultural co-operatives to publish their land and property holdings. Identify those that become available for potential CLT development and request management to challenge their property services to take into account the importance of CLT development in their property administration as one component of their criteria of valuation.
6. **Co-production Guilds:** Form coalitions ('beyond the fragments') to promote CLTs, using such tools as community land availability mapping and community share issues. Involve the Co-operative Group to promote community and co-operative links and the application of the new technology as part of the expansion of urban civil social movements.
7. **Co-operative Money:** Encourage Letchworth to consider contributing part of its surplus as a dividend to every resident in the town, young and old, in the form of town currency ('the Letchworth lire'). To ensure its circulation, the Foundation could agree to accept the payment of its retail rents in the new currency, on the model of the Austrian town of the Wörgl experiment in the Great Depression (see Case Study 12). Given the increasing use of such a currency, the sterling payment of rent would never fall below the post dividend surplus held by the Foundation in sterling.

Case Study 15: Co-operative Money and Social-Public Partnership

In times when economic downturns are prolonged, new forms of money have emerged to help rekindle local trade and economic activity. In the 1820s the early Co-operative movement developed Labour exchanges that circulated Labour note money based on hours. These Time Stores and Labour exchanges operated in Cincinnati, Ohio in the USA and in London and Birmingham here. In the recession of the late 1980s, Local Exchange Trading Systems (LETS), also based on hours, developed in Canada, the UK, Ireland and in many other countries. Since 2008 new local currencies like the Lewes, Bristol and Brixton pounds have emerged using either notes or mobile phone technology. None of these systems have been able to readily grow from hundreds to thousands of members.

The Wörg Experiment in the Great Depression

In the Great Depression the problems of expansion was overcome by developing a partnership between the co-operative money backers and the local authority. This co-operative partnership model was based on the innovative thinking of Silvio Gesell, a German entrepreneur inspired by the early Co-operative money pioneers. For tackling the design problem, Gesell's ingenious solution was to introduce a charge for the use of the co-operative money. Bank based money is based on debt and appreciates due to the interest charge. Gesell proposed a negative interest rate that would make the local money depreciate. He died in 1930 but his ideas were successfully implemented in Wörgl, a small town in the Austria of about 5000 people. In 1932 the rate of local unemployment was over 30% and rising. The town council was out of money and decided to experiment with Gesell's idea. The Mayor borrowed a fund from the local credit union to support a local currency, which was introduced by paying half the wages of town council staff in these labour certificates and assuring citizens and businesses that they could pay their local taxes with this new money. Each paper note issued had to be validated each month by the purchase of a stamp at 1% of the face value of the note. This monthly charge could be avoided if the money was spent before the end of each month. The impact was dramatic and the new local money circulated at more than seven times the velocity of the national currency. Additional currency was introduced to pay for public works. Within 12 months unemployment was reduced to marginal levels, taxes were paid and hundreds of towns in Europe and the USA geared up to replicate this success. Unfortunately the system was made illegal.

Chiemgauer and German regional currencies today

In recent years this negative interest currency has been reintroduced in a number of regions of Germany. The first system called Chiemgauer in Bavaria (with a 2% quarterly charge) is being supported by a number of co-operative banks but not yet by local government. This could be novel tool for kick-starting social-public partnerships and the revival of Garden Cities that local authorities, credit unions, the Co-operative Bank and Community Development Finance Institutions could co-develop with complementary currency organisations.

10. Co-operative Place Making: An Agenda for Action

The UK and other EU countries face a three-fold crisis of economic uncertainty, rising social costs and global warming. Ebenezer Howard described the Garden City solution as a 'Peaceful Path to Real Reform'. As Lord Glasman, Robin Murray and Philip Ross stressed in their respective presentations, the unique design feature of Howard was the practical land reform system he developed to capture what John Stuart Mill called 'the unearned increment' for community wellbeing. Mill argued that practical and peaceful land reform to remove feudalistic practices should be coupled with active forms of co-operative economic democracy both at the workplace and within the local economy. He argued for a vision of Mutual Liberty to be exercised by all citizens to make democracy part of daily life.²¹

'We do not learn to read or write, to ride or swim, by being merely told how to do it, but by doing it, so it is only by practicing popular government on a limited scale, that the people will ever learn to exercise it on a larger.'

Garden City and Community Land Trust methods enable this 'associative democracy' vision to be put into practice through the development of social-public partnerships. From his background as a community architect John FC Turner, a conference participant, observed that the first meaning of 'Power' in the Oxford English Dictionary is 'Capacity, the ability to do'. He added that this positive freedom meaning is routinely disregarded in favour of the second meaning in the Oxford English Dictionary, 'Power over others'.²²

Mutual Liberty requires the development of a new participative democracy agenda for citizens and local authorities to forge through a collaborative effort to co-design, co-construct and co-deliver a broad range of commonwealth based urban services. In respect to shelter and habitat, Turner since the 1970s has described this 'community-led incremental development paradigm' as a shift from 'housing as noun to housing as verb'.²³ Community land solutions exemplify the best practice of this emerging new system of co-operative place making.

A key related aspect of Howard's Garden City was what we would today call urban resilience by design. Each Garden City was intended to be highly self-provisioning when it reached its full population of 32,000 and on a site of 6400 acres including the agricultural belt for food growing. A 'Social City' as envisaged by Howard would include a larger Central city of 50,000 surrounded by a cluster of smaller Garden Cities with highly productive rural land between them and superb connectivity via rail and public transport networks. This democratically decentralising and regionally self-reliant vision marries well with the essential requirement to build low-carbon cities over the next forty years.

²¹ John Stuart Mill, *On Liberty*.

²² John FC Turner (2013) 'A Framework for Mapping Patterns of Activity – a Working Hypothesis Focused on Place-making', unpublished paper.

²³ John FC Turner and Patrick Wakely 'Fifty Years of the Community-Led Incremental Development Paradigm for Urban Housing and Place-Making' paper submitted for publication in *Architectural Design* in August 2013.

What are the benefits of Garden Cities and community land solutions?

As the conference speakers highlighted, Garden Cities share the benefits of community land trusts. Both show the key ways to:

- Capture land value and social economic rent for community benefit
- Develop perpetually affordable and stable forms of housing tenure
- Steward community assets to meet a broad range of workspace, energy, food and recreation needs
- Foster co-operation between citizens, local enterprises and the public sector through democratically accountable forms of place making
- Provide enabling solutions for a diverse variety of carbon-reduction opportunities

In brief, Garden Cities and CLTs can provide through social-public partnerships a strategic way to address the three-fold crisis of volatility within our economy, society and ecology. As one workshop group summed it up: 'They provide what citizens need in nearby ways'.

What are the barriers and the areas of opportunity?

The evidence gathered from the conference presentations, the open session debate and the workshop deliberations indicate eight key findings:

Barriers: urban community land trusts face competition for sites with other providers; there is a widespread lack of understanding of the three-fold opportunities that practical land reform can provide while on the other hand, leasehold enfranchisement can eradicate the mission to secure social, economic and ecological benefits achievable through community land solutions

Precedents: there are a good number of precedents that show the benefits of Garden City practice and community land trusts. These range from the first Garden Cities to Community Land Trusts now established. There are over 250 CLTs in the USA and more than 35 rural CLTs in Great Britain. Urban pathfinder CLTs include Coin Street Community Builders in London, Champlain Housing Trust in Burlington, Vermont and Irvine Community Land Trust in California.

Urban scale and housing stability: a majority of CLTs in the USA are urban and several are developing citywide operational plans under City-CLT partnerships. Evidence from the USA shows that both mortgage arrears and foreclosures on CLT homes since 2008 have been well below the performance in the prime mortgage market.

Commons and collaboration: Garden Cities and CLTs offer a democratic opportunity to co-build commonwealth and wellbeing. The land placed into trust ensures long-term affordability for meeting a diversity of urban needs. The entrusted space created is not neutral, nor is it the state or the market. Uniquely it is mutual space co-governed by citizens, non-profits and other public stakeholders as an autonomous democratic institution.

Mutuality and low-carbon housing: co-operative businesses were first developed in Great Britain and Ireland. However within the housing sector the UK is well behind other European countries where, on average, 10% of housing is provided by the co-operative sector within the EU. While Brentham Garden Suburb in Ealing from 1901 and Letchworth Garden City from 1903 fostered some of the first co-operative housing in Europe, co-operative housing in the UK today is less than 1% of supply. By contrast in many Scandinavian countries co-operative housing is more than 20% of provision and the evidence shows that this facilitates integrated green housing solutions (including combined heat and power and district heating) and eliminates fuel poverty.

Food and energy security: since 2008 there has been a growing level of citizen led activity to develop local food systems and community-based energy services. Co-operative methods are emerging as key to developing the scale of these efforts. Each project requires access to land and effective partnerships are key to solving this problem. There is an evident good fit between CLTs and both community food and co-operative energy schemes.

Capturing Value Model: the Garden City model did not succeed as intended. It failed to attract the major mission related investment it sought from the Co-operative movement a century ago. However at Letchworth it has worked to capture commercial rental income but has not succeeded in generating its own capital. This was the aim that Howard originally intended so that the model could become resilient and self-financing. A new updated model is needed.

Co-operative Land Banks: over the past twenty years the real value of the land has increased 4.5 times faster than annual inflation. While this boom led to disaster, capturing uplifts in value for citizens from planning gain is crucial and can provide low-cost, ongoing ways to build affordable housing in perpetuity without a soaring level of state transfer payments. The updated Garden City financing model in Section 6 and developed by Shann Turnbull shows how Co-operative Land Banks could provide strategic self-financing solutions that can capture economic value effectively for social benefits and do so equitably beyond the standard commercial time horizons of private sector investors. This innovative approach indicates a novel way both to attract significant levels of investment while at the same time preventing the extraction of windfall gains and surplus profits from public sector and community assets by putting CLB systems in place as a safeguard.

Next Steps: Implementing Associative Democracy action to build Commonwealth

For Howard, the old refrain 'I did it my way' had a unique meaning. Unlike Frank Sinatra, Howard was a modest man but with an indefatigable quiet energy and 'soul force' that acted like a powerful magnet for other co-operative souls of like mind to rally behind and commit jointly their full support. As this report shows, there is a 'blessed unrest' of superb grassroots co-operative economic development practice emerging in the UK. However the untapped potential through integration of efforts that could join up strategic advocacy is being overlooked because many path-finding practitioners, though successful, tend to be ploughing single crops in separate fields. Together these groups need to raise their game by collectively pushing their achievements above the radar screen through dynamic forms of horizontal and vertical co-production practices. Co-operative consortia methods can enable this collaboration to be achieved successfully.

The key strategic conclusion of this report is that civil society organisations should seek to do it 'Our way' and by cultivating the right mutual aid spirit of collaboration, others with energy and resources should be invited to either join in by directly lending a hand or to provide support otherwise. There is an old and wise co-operative saying: 'It is always better to ask for forgiveness than to ask for permission'. Creative and co-operative form(s) should follow on from an effective and inclusive approach.

The ten recommendations for joining up strategically the existing co-operative place making practices into a growing movement for building commonwealth are as follows:

1. **Co-operative Place Making:** There is untapped power in the hands of civil society groups. What is impeding the unleashing of this massive capacity is a lack of agreed, allied and creative civil society action planning that joins up the best local place making practices. Wrong-headed competition amongst organisations is the biggest barrier to shared success. A coming together through Co-operative Place Making should forge collaborative action as the Garden City movement showed can be done. Central government did not support Howard's 'Peaceful Path to Real Reform' to develop either Letchworth or Welwyn Garden City. His 'co-operative land society' vision and the practical plans rallied social economy support to put his peaceful reforms into practice and appealed widely to diverse civil society and co-operative organisations as well as to ethical, religious and social investors. In turn this forged local government support.
2. **Co-operative Innovation Labs:** A sound way to kick off a partnership between the Co-operative sector, the Garden City campaign of the TCPA and the National CLT Network would be to co-organise an Innovation Lab. Those most in need of Community Land Trust solutions are young people and young families priced out of the housing market. An Innovation Lab should assemble 100 people aged between 18 and 35 to meet once a month for a year to generate ideas for the incubation of CLTs and housing and to launch the findings to promulgate practical action.
3. **Multi-stakeholder co-operatives for the Common Good:** A mutual aid sense of social, ecological and economic Common purpose needs to be pursued by active citizens to galvanise action for a new Garden City movement for the 21st century. Amongst the vast expertise of grassroots practitioners, a coalition should be forged to unleash the untapped potential among for joining up Community-led housing solutions including Community Land Trusts, Co-operative housing of all tenures (rental and shared equity), Community Self-build and Co-housing. A network of multi-stakeholder co-operatives should be developed to link the community land solutions for housing to the community food, workspace and sustainable energy solutions that also require access to sites.

4. **Social-Public Partnerships:** Coin Street Community Builders in London, Champlain Housing Trust in Burlington, Vermont have succeeded as urban CLTs because of a creative multi-stakeholder partnership between civil society groups, supportive local authorities and other urban anchor institutions. In each of these success stories collaborative partners have included city mayors, affordable housing developers, the co-operative sector, local government, mission-related social investors and active citizen groups. These dynamic anchor institution partnerships are vital to secure the transformative vision. The enabling strategy currently being developed for mutual housing in Wales and supported by government should become commonplace across the UK. The TCPA, Co-operatives UK and the National CLT Network should collaborate with other place-making bodies to secure buy-in for social-public partnerships with the strategic goal to create at least 20 urban CLTs over the next five years.
5. **Co-operative Capital:** The biggest barrier to the Garden Cities achieving their transformative mission has been an inability to mobilise long-term, patient investment. CLTs have been hampered in the same way. The lessons from the Evergreen Co-operatives in Cleveland show the need for a form of regional co-operative development capital. Evergreen is developing impressively through a creative adaptation of the Spanish Mondragon system of integrated co-operative economic development education and methods that are joined at the hip to co-operative financing systems that are not based on expensive debt provision. The Community Development Finance Association, Co-operatives UK and the National CLT Network should work with the UK social banks financing CLTs to develop an effective system for the provision of innovative forms of co-operative capital. European Co-operative housing has been developed effectively through the linked deployment of mutual guarantee societies to reduce risk and credit costs, co-operative consortia for co-delivery and other co-operative financing methods to mobilise and structure low-cost capital. Lessons should be drawn from relevant UK and international best practice in the fields of co-operative and community development finance. A specialist Co-operative Housing Bank was recommended
6. **Co-operative energy partnerships:** Meeting housing and energy service needs were core to the original Garden City vision. Scandinavian housing schemes integrate co-operative solutions for low-carbon housing and deliver these through City-Co-operative partnerships. Cities in Denmark are well on the road to green city solutions by 2030 and it is the municipal and co-operative sector joint ventures that have been key. Aberdeen CHP is an example of this model but we need this approach to become the norm nationally. Access to public land for these social-public ventures is key. Collaboratively developed energy systems and forms of co-operative and mutual ownership enable projects to be de-risked and to secure longer term funding at lower borrowing rates.
7. **Community access to food growing spaces:** There is a fast growing demand for food growing space and in some cities in England the waiting list for an allotment is over 40 years. The Community Land Advisory Service (CLAS) has set up teams in Bristol, Edinburgh and Cardiff that are developing across England, Scotland and Wales a Community Land Bank system to enable meanwhile use and longer lease sites to be made available for food growing. This approach is getting support from a number of local authorities including Edinburgh, Brighton and Bristol. CLAS is being led by the National Federation of City Farms and Community Gardens and is backed by a growing number of local food groups. Community Land Banks should become a core part of a new Garden City movement.

8. **Garden City principles to guide planning system practices:** In order to maximise the practice of social-public partnerships, incremental development should become the new standard. Planners should be retrained in Garden City principles. The Freiburg model in Germany should be embraced; this allocates land with a maximum development size of two hectares. A new design code should be introduced that is based on proscriptive rather than prescriptive principles. The aim should be to encourage greater social innovation and multi-stakeholder participation within good urban design standards.
9. **Mutual Land planning appraisals:** the implementation of Garden City principles in planning needs to ensure transparently that all stakeholders concerned are enabled to consider and appraise mutual land tenure options. Comparative impact statements should be required whenever public sector bodies take planning and investment decisions that would lead to significant changes in land values. A condition for proceeding with planning approvals and public investment should be for the property owners obtaining windfall gains from government actions to donate an appropriate area of their land for co-operative ownership and control.
10. **Public Land Banks and Garden City pump priming:** Community Land Trusts should become the exit and long-term stewardship strategy of time-limited, public land bank assembly and regeneration interventions. Endowing the freehold of public land to social-public partnership CLTs and Co-operative Land Banks will enable long-term housing affordability to be guaranteed. This strategic plan should be implemented to create the enabling system required to co-develop new Garden Cities and to restructure existing urban areas as Garden Cities to co-produce commonwealth and low-carbon economies.

The TCPA has shown that any projection of the Government demographic data indicates that to deal with growing overcrowding and unmet demand, there is a need for housing construction to ramp up to 230,000 units a year and to maintain this level of new build for the next 20 years. To meet climate change targets, this housing additionally needs to be low-carbon and green.

As the TCPA makes the case, there are two apparent choices. Are we as a society going to move forward without a robust vision supported by an intelligent UK plan for reshaping our cities and end up by default muddling through and bolting on sprawling suburbs to existing cities. Or to secure the sound vision we need, should we not take up the Social City concept of Howard to guide us on how to build sub-regionally to this target yearly through effective collaboration? This can be instigated and led by social-public partnerships co-designing and co-producing integrated and local food systems, ultra-light public transport and renewable energy services.

As this report evidences, the second choice is feasible and needs to be pursued for reasons of sustainability, to tackle homelessness, to increase social equality, for renewing democracy, for green employment and for enhancing wellbeing. Moreover, and most importantly strategically, the lessons from Letchworth show how Howard's model if fully implemented through a Co-operative Land Bank system can provide self-financing solutions to meet the increasing three-fold social, economic and ecological challenges faced by the UK. This sound and integrated urban strategy should become a new 'social contract' to address the Great Recession positively and practically while at the same time building co-operative commonwealth for local stakeholders.

11. Appendix: Profiles of Contributors

Stephen Bendle is a Director of community asset development consultants Community Land and Finance CIC Limited, part of the Resonance group helping communities put their proposals together and providing them with finance directly and indirectly. He worked for 5 years under Bob Paterson's direction for Community Finance Solutions, at University of Salford to support CLTs practically and through policy development. From 1980-1994, he was MD of Amicus-Horizon Housing Group, implementing new approaches to urban regeneration, finance, self-build, community care, support for new BME housing associations and housing co-operatives, and shared ownership.

Pat Conaty is a Californian working in England and Wales. He worked for many years as the Development Director of Birmingham Settlement. He is a Fellow of new economics foundation and a research associate of Co-operatives UK and the University of Salford. He specialises in action research on innovative forms of economic democracy and mutual enterprise. His work has been mainly in the fields of household debt solutions, community development finance and community land trusts. He played a leading role in research teams to develop CLTs from 1999 and he worked collaboratively with Community Finance Solutions at the University of Salford and CDS Co-operatives to define and develop the concept and practice leading to the successful National CLT Demonstration Project from 2005-2010. He has co-authored with Mike Lewis in 2012, *The Resilience Imperative: Co-operative Transitions to a Steady-state Economy*.

Lord Maurice Glasman is a Labour Peer and Reader in Political Theory at London Metropolitan University. He has worked with London Citizens for many years, particularly on their Living Wage Campaign and is one of the founders of Blue Labour. Maurice Glasman was born in Walthamstow in 1961. He studied at JFS Comprehensive School and then read History at St Catherine's College, Cambridge University. He obtained a masters in political philosophy at the University of York and a PhD at the European University in Florence. His thesis, *Unnecessary Suffering*, was published by Verso in 1996 and he is an acknowledged international authority on the work of Karl Polanyi.

Catherine Harrington is the National Coordinator of the CLT Network. Prior to establishing the Network, Catherine was Policy Adviser at DCLG. She has worked at Notting Hill Housing Trust and at the Institute for Public Policy Research and holds an MSc in City Design and Social Science from the London School of Economics and a BA Hons in Social Anthropology from the University of Cambridge.

Kate Henderson is Chief Executive of Britain's oldest charity concerned with planning, housing and the environment, the Town and Country Planning Association (TCPA). She is responsible for leading the Association's efforts to shape and advocate planning policies that put social justice and the environment at the heart of the debate. Kate joined the TCPA in 2007 and was appointed Chief Executive in 2010. She has raised the TCPA's profile through a range of campaigns and policy initiatives, including chairing the TCPA-led Garden Cities and Suburbs Expert Group and the Eco-Development Group. Kate is a member of the UK Government's 2016 Taskforce and Neighbourhood Planning Sounding Board, she has been on the Energy Institute London and Home Counties Committee since 2006 and she is currently a commissioner on the Independent Commission on the Future of Council Housing in Southwark.

Stephen Hill is an independent public interest practitioner and a surveyor - with public and private sector experience of housing, planning and delivering mixed-use development, urban extensions, new settlements, and community-led neighbourhood regeneration. He is RICS' representative on the government's Housing Policy Sounding Board, and a joint RICS-Housing Forum initiative to integrate institutional investment into housing and infrastructure.²⁴ He has championed land tenure and tax reform, and citizen-led housing solutions for over 20 years. He is currently working with tenants and residents and London councils on community led and owned housing developments on council estates and land. He is a board member of the National CLT and UK Cohousing Networks.

Rhidian Jones is Head of Affordable Housing within the Welsh Government. He is responsible for policy development and implementation for affordable housing, rural housing, intermediate (rent and LCHO) housing, planning for affordable housing, land release protocol, co-operative and mutual housing and a key stakeholder in innovative housing funding development.

Michael King was co-founder and chairman of Aberdeen Heat & Power Co. He was retained as a specialist adviser by EST on the Community Energy Programme and by HCA on the Low Carbon Infrastructure Fund and was lead author on the resulting 'Lessons for District Heating' report. He co-authored the guide 'Community Energy: planning, development and delivery', recently producing a US version. Michael is a BRE associate and is currently working on a research project for DECC to investigate the delivery of district heating projects over the past decade. He is also collaborating with Edinburgh University on a research programme investigating best practice in the development of district heating which includes leading a network of over three dozen vanguard local authorities. He works with Carbon Trust advising on the development of district energy projects as well as working directly with a wide range of public organisations including Cube Housing Association, Gateshead Council, Islington Council and Bristol City Council.

Martin Large chairs Stroud Common Wealth that supports community land and co-operative solutions locally. He is the director of the Biodynamic Land Trust for farm access. His book, *Common Wealth for a more free, equal, mutual and sustainable society* (2010) has chapters on Land for People solutions that he has pioneered including Fordhall Farm and Cashes Green CLT.

John Lewis joined the Letchworth Garden City Heritage Foundation as Chief Executive in August 2010. Before his appointment, John was Chief Executive of Milton Keynes Partnership, an operational arm of the Homes and Communities Agency responsible for the growth of the city. His interest in the broader aspects of regeneration and housing developed when he joined English Partnerships in 1998 where he was responsible for the East of England Region. John is committed to making the Foundation a more open and inclusive organisation whose future is driven by the ambitions of the people in Letchworth. His aim is for the Foundation to be better known for the investment it makes in its Charitable Commitments for the town by supporting areas such as education, recreation and healthcare.

Robin Murray was for many years an Economics Fellow of the Institute of Development Studies at the University of Sussex. He is currently a Senior Visiting Fellow at the Civil Society and Human Security Research Unit, London School of Economics, and also a Fellow of the Young Foundation, where he has recently completed work on methods of social and environmental innovation.

²⁴ Stephen is author of *Time for a citizen's housing revolution* in *Who should build our homes now?* CABE, 2009

Bob Paterson is an acknowledged social finance expert with 40 years of professional experience, over 35 of which have been spent in roles related to property finance. His former roles include 14 years as Senior Visiting Research Fellow and Project Director Community Finance Solutions at the University of Salford, where he led the development of several innovative developments in the field of community property finance. This included developing the Community Land Trust concept and practically implementing it in England. In recent years, he has been instrumental in the establishment, governance, operations and business and financial processes of a number of companies focused on social enterprise and property finance, including founding Community Land & Finance CIC.

David Rodgers is the elected President of the International Co-operative Alliance (ICA) Housing Sector Organisation and chairs its housing board. The ICA is the international representative association of global Co-operative movement. While a student, David pioneered the development of housing co-operatives in the UK and is recognised internationally as an expert on resident and community control of housing. For 33 years, before he retired in July 2012, he was the chief executive of CDS Co-operatives, the largest co-operative housing service agency in England. He has served as the co-operative housing representative on the National Housing Federation's National Council and as a board member of the Co-operative College, becoming vice chair and chair of its audit committee. He is the founder secretary and board member of the Co-operative Housing Finance Society Ltd.

Philip Ross is the former Mayor of Letchworth Garden City and in 2009 won a landmark High Court battle that defended the belief that the Letchworth Garden City Heritage Foundation - that manages the garden city estate - are accountable to the people of the town. Following this he co-authored with Professor Yves Cabannes of UCL the pamphlet '21st Century Garden Cities of To-morrow - How to become a Garden City' which focuses on 12 social principles for a Garden City. It has been well received including in Beijing and Chengdu in China when in May 2012 they set out their case to appreciative large audiences of city and town planners and municipal leaders.

Mark Simmonds is an experienced organisational development worker and trainer with a particular interest in co-operative and social enterprise specialising in co-operative start-up and resolution of governance issues. His specialist expertise includes Community Supported Agriculture, renewable energy, large worker co-operatives, co-operative pubs, community shares, food co-operatives and transition enterprise. He is a Director of Pennine Community Power Limited, a renewable energy Community Benefit Society based in West Yorkshire. Mark is also currently working for Co-operatives UK delivering the governance support element of the Making Local Food Work program.

Shann Turnbull obtained a MBA from Harvard in 1963 and became a serial entrepreneur establishing new enterprises with three becoming publicly traded. As a partner in a private equity group that acquired 12 listed companies over seven years he became involved in their re-organisation as the chair, CEO and/or advisor. Since writing *Democratising the Wealth of Nations* in 1975 he has worked on reforming the theories and practices of capitalism; this has included pioneering research into innovative methods for democratising the governance of organisations, the subject of his PhD in 2001.

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Published 2013