

Exhibit 20: The policy context

Sustainable communities and affordable housing policies

Two main strands of government policy are supportive of the development of community land trusts. These are: policies to promote sustainable communities and increase the supply of good quality affordable housing; and policies to promote community and neighbourhood engagement.

Key government priorities relating to the physical, housing and environmental aspects of sustainable communities and neighbourhood renewal are set out below.

Sustainable Communities Plan

Launched in February 2003, this sets out a long-term programme of action to promote sustainable communities in both urban and rural areas. It aims to tackle housing supply issues in south east England, low demand in other parts of the country, and the quality of public spaces. Government priorities were also set out in the policy papers published to coincide with the 'Delivering Sustainable Communities' summit in January 2005, chiefly *People, places and prosperity*, *Homes for all*, and a suite of related papers about community leadership, local services and neighbourhoods. These represent the culmination of convergent trends in policy thinking and development on local government, local governance, neighbourhood renewal and planning since 1997. Overall these plans aim to increase affordable housing supply with particular emphasis on growth areas in south east England, where an extra 200,000 homes are targeted.

The **Decent Homes standard** provides for a standard (including the housing health and safety rating standard, a reasonable state of repair, modern facilities and modern thermal insulation) to be reached by 2010 for all 3.6 million previously substandard social homes. Policies to achieve the standard include transfer options, which also promote greater tenant management and ownership – including through the mechanism of CLTs. It is also intended that housing funding programmes should link up with other funding streams to achieve 'sustainable communities', rather than just better housing conditions. The Decent Homes update (June 2006) states that CLTs can be an option for local authorities to consider in order to achieve sustainable communities.

Housing market renewal pathfinders aim to reverse serious disrepair and falling values in areas of low demand in the private housing sector.

The **HomeBuy** scheme, launched in April 2006, brings together all the existing low cost home ownership schemes available to social housing tenants, waiting list applicants and some other groups such as key workers, where these are a regional priority. This includes a new scheme for 75 per cent mortgages alongside a 12.5 per cent equity mortgage with limited interest payments from a building society and a 12.5 per cent equity mortgage from the government.

First time buyers' initiatives promoted by English Partnerships on large development sites, including those formerly in NHS or other government ownership, also operate by providing an equity loan.

Initiatives such as **liveability** and **cleaner, safer, greener communities** aim to improve standards of design, green spaces

and the built environment generally, with **local public service agreements** increasingly being used to provide the funds to achieve locally-set targets.

The Government invited proposals for new forms of local governance as part of its consultation to prepare for the Local Government White Paper in October 2006. The published paper sets out proposals for local governance, including the management and ownership of assets by communities. A review of the barriers preventing wider community asset ownership (the Quirk review) was due to report to the Government in spring 2007.

Policies that support neighbourhoods and communities

The Government is committed to expanding opportunities for communities to manage or own physical assets. This is part of a wider **Together We Can** action programme to find ways 'to empower citizens to work with public bodies to solve problems'.

Between 2004 and 2006 the Home Office and the Office of the Deputy Prime Minister (ODPM) published a number of papers around this topic. The papers are as follows:

- *Firm foundations: the government's framework for community capacity building* was a comprehensive review and rationalisation of the government's approach to community capacity building across all government departments except planning;
- *Citizen engagement and public services: why neighbourhoods matter* is an important consultation paper outlining the expectations of central and local government to set up 'neighbourhood arrangements' for the delivery of public services and for more

powerful and accountable local governance. It unifies, for the first time, neighbourhood renewal and local government reform;

- *Community management and ownership of assets* is a paper that identifies ways to promote an expansion in the ownership and/or management of physical assets by communities in order to empower local neighbourhoods. Among other measures, it recommends promotion so that public bodies understand how this can be done; an incentive fund; the inclusion of public housing among the assets considered; and a 'community right to buy' similar to the right embodied in the Land Reform (Scotland) Act 2003;
- *Communities taking control: final report of the cross-sector work group on community ownership and management of assets* is a report that provides recommendations to government about the practical steps required to encourage and enable communities to take on the ownership of assets;
- Capital funding programmes have been set up to provide loans and grants aimed at increasing the capacity of the voluntary sector. These include capital programmes run at arm's length from government by appointed agencies FutureBuilders, and the Adventure Capital Fund. They are overseen by the Department of Communities and Local Government (DCLG) and the Cabinet Office;
- The DCLG covers most of the functions of the former Office of the Deputy Prime Minister. The Cabinet Office has taken over the support of the voluntary and community sector from the Home Office. In July 2006 the DCLG published a further paper, entitled *Community assets: the benefits and costs of community management and ownership*, detailing the benefits of community-owned assets based on a number of case studies, and setting out the steps required for further expansion.

These policies run in parallel with community cohesion and asset-building programmes with a focus on neighbourhoods and communities, involving other government departments, especially the Home Office and Cabinet Office. There has been a steady progression of policies and intervention. These are often referred to as 'new localism', and culminated in the white paper on the future of local government in autumn 2006. A central idea in this debate has been that local government should devolve the management and political control of public services to neighbourhood level as far as possible. Many major initiatives have a community and active citizenship dimension, which implies a real shift in power and influence. What these policies all have in common is the search for new institutional forms for local governance and practical action in neighbourhoods that will capture the interest and commitment of citizens with a continuing interest in the wellbeing of their area.

Successive stages of the reform of local government and of the planning system reinforce trends to strengthen neighbourhood-based activity, originally embedded in the national strategy for neighbourhood renewal of the then Department of Transport, Local Government and the Regions and the Social Exclusion Unit. The focus is on neighbourhoods and communities: the idea that local government should as far as possible devolve management and control of public services to community level. New programmes and initiatives have included:

- Local strategic partnerships (LSPs) at county and district level;
- Local area agreements (which are now generally delivered by LSPs);
- Best-value locality testing and joint approaches to local service delivery;

- Neighbourhood management;
- Department for Trade & Industry and Treasury programmes to support social enterprise. The Cabinet Office produced an action plan on social enterprise in November 2006.

Changes to planning policy have also been aimed at giving communities more power and involvement.

In order to make the planning system more flexible and to enable plans to be kept up to date, local planning authorities are now required to maintain a Local Development Framework. This includes the Local Plan and also all other planning documents, including the regional spatial strategy, and guidance which the authority has issued. It must also include a 'statement of community involvement' explaining how the authority will gather and take account of the local community's views of the types of development needed to enable them to function effectively. It will also include site and area specific proposals, and supplementary planning notices.

The aim of this new system is to make it easier for plans to be updated and for community views to be taken into account. There is, for example, more opportunity for the planning authority to consult on supplementary planning notes referring to particular issues such as affordable housing. With large regeneration sites, it is also possible to produce supplementary planning guidance that takes account of needs identified by the community.

Government guidance in the form of planning policy statements (PPS) is gradually replacing the previous planning policy guidance (PPG) on a range of subjects, including the provision of affordable housing. A useful update to PPG3 in December 2005 on the delivery of housing reaffirmed policy on exception sites for affordable

housing, but, less helpfully, suggested they should remain 'small', which may not always be what is needed. PPG3 was replaced by PPS3 in November 2006.

Community plans, initiated through regional development agencies and supported by the then Countryside Agency, have been another way of bringing communities together to consider their future and to suggest the action needed. These plans have been developed both at parish level and by market towns together with their surrounding communities, and have proved a means of identifying needs such as shortages of affordable housing or workspace.

Local policy

The local authority has the task of implementing or taking account of these policies. Its housing strategy (which will include policies on achieving the Decent Homes standard, including better energy efficiency), economic development strategy, Local Development Framework, statement of community involvement, Local Plan, and regeneration strategy will be among the important documents worth consulting to see if they provide support for the idea of a CLT or identify needs that the proposed project will help to meet.

There should also be a **community plan** (in future this is to be called a sustainable communities strategy) which will have been prepared by the LSP (which brings together the local authority, health authority, higher education providers, police, voluntary organisations and community representatives – and the various partnerships they work in). This may well refer to the same issues that concern the community. While an LSP's powers are limited, its support could be critical when seeking financial or grant resources. More locally the community may have been involved in producing a

community plan for a regeneration area, parish or market town – which may of course have been the source document for the actions the community is proposing to take.

At the regional level the regional spatial strategy, regional housing strategy and regional economic strategy could all be relevant. In theory, however, the local authority will have taken account of these in setting its policies.