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Enabling Community-led Housing in England

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Key takeaways

1. Community-led housing, which incorporates a range of approaches including community land trusts, cooperatives and cohousing, could contribute to meeting the new government's housebuilding targets by improving community satisfaction with housebuilding, contributing to diversity in the market, and raising design and build standards.
2. To scale up the community-led housing sector, communities need access to knowledge and intermediary support. However, as recently piloted funding streams have ended, community-led housing enabler hubs have struggled to be sustainable.
3. The short-term funding cycles common in community-led housing have overburdened organisations and made it difficult to attract and retain skilled housing practitioners. Going forward, this work requires secure, long-term funding mechanisms and revenue models.
4. Intermediary actors could be the drivers of a more secure and professionalised sector. For example, targeted investment in intermediaries to support proven, locally achievable models could deliver greater scale and replicability. Beyond specialised intermediaries, some support capacity could be provided by professionals in other organisations such as local authorities, housing associations and private consultancy.
5. However, the independent character of community-led housing schemes needs to be retained. Funding bottom-up community activity can lead to further experimentation and deeper community engagement.

1. Introduction

Housebuilding is a key government priority, with the need for many new homes well-established. [The new Government has committed to building 1.5 million homes in the next five years](#). The volume of new homes built is a key aspect of this, but it is also important that the right new homes are built in the right places. In 2019, a survey suggested that just 2% of the public trusted large-scale housing developers to deliver the homes they need and only 7% trusted their local council to make decisions about large-scale development that were in the best interests of the area (Grosvener, 2019). Problems with the prevailing volume housebuilder approach include poor quality and place-making of large new developments (Goodchild, 2021), under-delivery of affordable housing and infrastructure (Colenutt, 2020), and a lack

of diversity in the market which does not support small and medium-sized enterprise (SME) builders or delivery on smaller sites (Foye & Shepard, 2023). There is often significant opposition to new development, based on the impact on the local area, creating a challenging situation for local authorities that need to meet housing targets but do not want to impose unpopular or inappropriate development on existing communities (Inch, 2020).

Community-led housing could offer part of the solution to these housebuilding problems, but the sector faces significant challenges to its growth. 'Community-led housing' encompasses various approaches like community land trusts (CLT), cooperatives, cohousing, and self-build housing, emphasising civic control over housebuilding and management (Field, 2020). These practices have been

recommended as a mechanism that can work to fill in the gaps between what can be achieved by the market and what can be achieved via housing associations and local government (Field and Layard, 2017). Beyond this contribution to the housing market, community-led housing research suggests community-led housing can contribute to the health and well-being of residents (see McClatchey et al, 2023).

Despite rising interest from the public, civil society and some politicians, the overall output of the sector has remained low.

The current number of homes previously built by the community-led housing sector is estimated at around 26,800. This represents around 1% of England's housing stock (Smith, 2016). The vast majority of these homes are legacy housing cooperatives, established in the 1970s and 1980s during a period of government investment. CLTs are currently the most prominent model of new development and the national CLT network puts their contribution at around 1,711 affordable homes completed so far with 5,413 homes in the process of development. Public interest in the sector has been growing, for example, the number of registered cooperative housing organisations has risen nearly 50% from 685 in 2018 to 900 in 2023 (Holmes & Candlin, 2024). The Community Led Homes coalition estimates there are currently 21,700 community-led homes in the potential pipeline. The CLT Network estimates that there is a market opportunity to develop as many as 278,000 community-led homes with the appropriate support (CLT Network, 2023).

This briefing details some of the barriers to growth for the sector, in particular access to enabling support for community-led housing activity. The findings and recommendations are drawn from research that explored community-led housing development in England, including through three regional case

studies, a recent overview of the national sector and a workshop with community-led housing sector stakeholders.

2. The benefits of community-led housing for housebuilding

The research showed that one of the most important benefits of the community-led housing sector is the 'additionality' of the homes that are built. One interview participant, a housing team leader working in a local authority, explained:

"The advantage of these was these homes that really wouldn't have been built any other way. You know, they wouldn't have been built as exception sites, affordable sites or open markets. So, they are genuinely additional to anything else we've got coming forward."

At a local level, affordable housing development on smaller sites may enable individuals to stay in areas where they grew up or make efficient use of small parcels of land. For example, community-led housing has been promoted as a key solution in small villages with high second-home ownership, which have generally lacked affordable housing (Moore, 2018).

The findings suggest the community-led housing sector is finding ways to overcome local concerns over housing delivery. A participant from an intermediary organisation supporting CLT development in rural areas described their experience:

"Everywhere I go, there's a community that says, we'd like to do this ourselves because the last time we had affordable homes built, they put it in the wrong place. And they look wrong and they're housing the wrong people and they're not managing their properties properly."

This community control may be able to turn negative community attitudes toward housebuilding into positive engagement in

local development. An interview participant working within a combined authority noted:

“[The communities] don't love development, you know, if they could just not have it, that would be great. But [their attitude is] it's better the devil we know, like, it's better to do it ourselves, and at least have some control and do it the way that we would want it.”

This positive mobilisation of the community has led to the delivery of large sites with a mix of affordable and market housing, with significant oversight by the community. This model of engagement with a CLT may be appropriate for unlocking larger sites for development facing significant community opposition.

Due to their bespoke and small-scale nature, the community-led housing sector may contribute to promoting housing market diversification, supporting SME developers to deliver more homes and raising the bar for quality in the new build industry. The sector's qualities of small-scale development with an emphasis on design, sustainability and community also suggest innovation and a role for SME builders and developers. A stakeholder from the Ministry of Housing, Communities and Local Government (MHCLG) explained:

“That's another reason why we like the community-led housing sector is that it helps to sustain the SME builder sector, which adds to the sort of robustness and resilience of the house-building industry generally and intends to deliver variety and helps to meet additional markets, which aren't going to be developed by the sort of the mainstream house builder model.”

Ultimately, the contribution of the sector could therefore be beyond the additional homes built, but also in contributing new ways of working for sustainability and

community engagement that improve delivery across the industry. However, for these benefits to be realised the sector's scale and impact must increase.

3. What support does the community-led housing sector need?

Most citizen groups lack the knowledge and connections for housing development, making access to support crucial for equitable community-led housing benefits. A network of enabling professionals and intermediaries has developed to support volunteers to engage in a housing development (Moore and Mullins, 2013; Fernandez Arrigoitia & Tummers, 2019). This has included support services based within local authorities, third-sector organisations acting as intermediaries, networks of volunteers promoting peer support, and freelance professionals. This has been paid for in a variety of ways, but generally through revenue grant funding to individual groups or local authority contracts to provide support. Generally, the availability of this support has varied widely by region.

In recent years, there have been efforts to extend this enabling support across England. National sector actors lobbied and received funding for regionally based community-led housing enabler hubs as part of the second phase of the Community Housing Fund. These formed a network of 28 enabler hubs across England, a mix of pre-existing intermediary activity and newly formed hubs. Start-up investment was provided in 2018-2021, from both central government and major charitable funders (Lang and Mullins, 2019). An evaluation of the Power to Change enabler hubs showed that in operation they contribute to an increased pipeline of community-led housing developments (Arbell et al, 2023).

Despite early signs of success, the findings from this research indicate that since the conclusion of the funding streams, many enabler hubs have scaled back activity significantly or closed. A research participant whose own third-sector organisation had recently stopped operating an enabler hub summarised: *“In a lot of parts of the country, it's just gone”*.

Designers had intended enabler hubs to become financially independent through a fee-based model on housing completion. This approach was based on the model of a CLT intermediary in the South West that had demonstrated financial sustainability with limited revenue grants for CLTs in partnership with housing associations. However, for many hubs, this model was not workable, especially within the timeframe. Some enabler support has continued, this includes the original CLT intermediary that inspired the model of the funding. Other intermediary organisations still operate, and some have developed asset-based models or maintained contracts with local authorities or city regions that created some level of sustainability. Where this is occurring, local authorities should seek to protect these organisations against funding shortages and ensure continued operation.

As the most recent models of intermediary support have generally not been able to achieve independent financial sustainability, other forms of provision of intermediary support may also need to be considered. This might include intermediary organisations that are targeted at specific replicable models of community-led housing, diffusion of community-led housing knowledge among other relevant professionals and support for national-level intermediaries able to coordinate freelance professional support for groups. The key ask of the sector in this regard is access to funding streams

that can provide technical advice, including grant funding which can be utilised to pay for risky earlier stage work. The organisations and models through which this technical advice is delivered may vary across different areas. The [community-led housing training programme](#) led by the Confederation of Cooperative Housing has so far been an effective distribution tool for knowledge to other professionals. These organisations should continue to invest in the training of their employees, or charitable funders should consider investment in training for small third-sector organisations that can engage in bottom-up community development, retaining the experimental and grassroots nature of the sector.

4. Scaling up the community-led housing sector

Previous research has covered the extensive challenges of small volunteer groups in accessing land and funding for community-led housing development (Heywood, 2016; Goulding, 2018). Ultimately, within a market-based system, these challenges are likely to remain. Therefore, government support through land disposal, grants and financing is likely to be an ongoing requirement. Government investment, through local authorities or Homes England, already seeks to incentivise strategic housing development through derisking development sites and providing supporting infrastructure. Support for community-led housing groups to access the market should be considered in line with this model of housing market investment.

Direct government funding through the Community Housing Fund phases one and two provided an important boost for the sector. This included dedicated access to capital funding, rather than through the mainstream affordable

housing fund. Practitioners in community-led housing involved in this research favoured this approach as it better considers the risk that community groups face on each site versus the risks of larger providers which are spread across their multiple sites. A participant with experience of community development and the funding process within Homes England explained:

“And of course, their ability to borrow money is completely different for a community organisation is much more expensive, because it's much more risky... And quite often they need more grants because they're doing higher design quality, higher sustainability quality. So, in value for money assessments, they don't score as well as the big providers... So, you know, that's where the Community Housing Fund was a better route in my view because it recognised that these were different providers and that what they required was different, which is why the sector continues to lobby the government for more funding for more years.”

However, a larger-scale sector could also begin to support itself more effectively. Part of this solution may also be an investment in intermediaries that support proven models of delivery such as rural CLT development (Moore, 2018) or infill in low-density suburbs with community support (Lloyd, 2023). This approach has been championed by national intermediary bodies through their [Growth Lab initiative](#). Additionally, the sector has proposed a Community-led Housing Growth Fund, supported by an initial government investment, to attract private and social investment and empower intermediaries to support the growth of the sector at scale. The [Community Led Housing network](#) a coalition of sectors made up of the [Community Land Trust Network](#), the [UK Cohousing network](#) and the [Confederation of Cooperative Housing](#), has suggested

£150 million Government investment could provide the leverage to access the commercial finance the sector needs to grow. These approaches are based on the idea that finding ways to blend bottom-up and top-down approaches, through greater sector-level leadership and a more professionalised approach could unlock the potential of the community-led housing sector to support significantly more homes.

The problems of support for the Enabler Hub programme are indicative of wider-scale disruption and insecurity in the community-led housing sector. A participant stated:

“[There will be] a completely different pot of money with different criteria and so on. Most inefficient way of working that anybody could ever come up with really... And that's one of the structural problems is all of this stop-start stuff, which is a complete waste of everybody's time.”

Furthermore, start-stop funding creates instability in the professional careers of enabling workers. This has contributed to problems with attracting and retaining staff to the sector. An enabler hub director stated in an interview that this has caused problems with organising work:

“When that funding drops off, people have to go off and get other jobs. So then work comes in and you realise we don't quite get enough people to do as much as we'd like.”

Therefore, a model for long-term and reliable enabler activity is required, but one that drives the scale required to contribute to the sustainability of the sector.

Whilst the funding ask from the government for these approaches is significant, it is only a small percentage of other forms of housing market subsidy directed to other delivery models and tenures, such as the Help to Buy

Programme or infrastructure grants (Wilson, 2021) or direct payment for housing through the benefits system (Diner, 2023). This investment would lead to capital that would remain within the community to be leveraged to support maintenance and further housebuilding. This should be considered a serious route to achieving quality, affordable homes that offer residents security, dignity and control. Investment and support could create a virtuous circle that leads to increased scale of the sector, increasing diversity in the overall housing market. However, for these benefits to be realised this support needs to be predictable for the longer-term, for a significant number of projects to complete and begin to create self-sustainability. In an environment where the UK needs to build a lot more houses, it seems community-led housing is not just an attractive model but also necessary to add more diversity to a developer-dominated sector.

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