

A Planner's Guide to Community Led Housing



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Foreword

Community led housing gives local residents the chance to build the right housing for their locality. Creating communities that are enthusiastic about building new homes is a genuine win for local residents and also for the local planning authority seeking to hit their housing targets. Through the work of Community First Yorkshire we identified a need for further guidance for planning and housing officers to give them ideas and tools to be able to respond positively to community led housing applications. We, along with the other 38 ACRE Network members, champion affordable, high quality housing, designed and built by local people for local people. We hope this guide will prove useful to both communities seeking planning permission and to planning authority staff seeking to find ways to respond positively.

Leah Swain, Chief Executive Communities First Yorkshire and Richard Qualington, Chief Executive Action for Rural Communities in England (ACRE)

“Community led housing can contribute to solving many of the most important issues at the heart of the housing crisis. Community led schemes add diversity to the housing market. They can engage communities in the location and design of new housing, and in doing so help overcome local opposition to development.

The sector may be small at the moment, but major growth is underway and planners need to be ready for this. The research that went into producing this document found that whilst relatively few planning authorities are engaging directly with community-led planning, there is an opportunity for this to change. There’s no better way to secure community buy-in for new homes than for the community to play a positive role in working out where to put new homes and how they should look. We hope this document will inspire more planners to explore how community-led housing could benefit their areas. And show them how they can support it – through proactive development management and plan making.”

Victoria Hills MRTPI FICE, Chief Executive, Royal Town Planning Institute

“Community Land Trusts (CLT) are set up to improve the sustainability and well-being of their community, exactly in line with the aims and efforts of planners. CLTs want to bring forward high quality development that will enjoy high levels of local support. Every planner, dedicated to the proposition that development can improve the sustainability of their locality, should look to support and facilitate community led housing. This guide gives them the tools, and I hope it inspires the resolve, to do so.”

Tom Chance, Director, National Community Land Trust Network

Acknowledgements

The production of this Guide has only been possible thanks to the contributions from a range of planners and Community Led Housing professionals. We cannot list them all, but would like to thank all the planners, local authority housing enabling staff, Community Led Housing Advisers and Rural Housing Enablers who provided examples of policy and practice and those who gave so generously of their time to explain their approach in detail. A thank you too to those individuals who formed the virtual Sounding Board providing advice and comments on the drafts as the Guide came together.

Planning for Community Led Housing (CLH) is still evolving, but the willingness of these individuals to innovate and share their experiences will hopefully inspire others.

Thanks also go to Nationwide Foundation who funded the production of this guide.

Disclaimer

This guide was written based on our best understanding of current and emerging primary and secondary planning legislation at the time of writing (Jan 2019).



Introduction

Whether you are a policy planner, involved in Development Management, supporting or preparing a Neighbourhood Plan, working for a local planning authority or as a consultant, this Guide is for you.



Fishponds Road - self finish scheme - [Bristol CLT](#)

Look at almost any Local Plan and it will include phrases such as “development that meets the community’s needs”, or “involving the community...” Now there is a way of making this a tangible outcome. It is called Community Led Housing (CLH).

The last five years have witnessed Community Led Housing (CLH) change from a small niche interest to a nationwide movement. Through formal legally constituted groups, communities are fully involved in developing, managing and owning the homes that meet the needs of their community, whether in a village, town or city. They may be a small rural affordable housing scheme, part of a larger open market development or a component of an urban regeneration project. Currently, there are 15,000 potential community led homes in the pipeline and more than 87,000 people who are members of CLH groups.

Whatever the size or location of the scheme, as planners you play a critical role in ensuring that communities’ ambitions translate into homes on the ground.

Purpose of the Guide and how it was devised

The purpose of this guide is to provides planners who work in England with the knowledge and confidence to devise policies and adopt development management practice that supports CLH delivery. In common with any other form of housing development, the delivery of CLH is a shared activity so this guide is also relevant to local authority housing enabling staff and those supporting CLH groups.

Its genesis was a gap identified in North Yorkshire between the ambition to provide CLH and planning policy and practice to support its delivery. However, it very quickly became apparent that bridging this gap would require exploring practice across a much wider area. The result is a Guide that has relevance to all types of Local Planning Authority in England, from small rural district councils to major metropolitan authorities.

Planners have been involved throughout the development of this guide. They provided examples of existing policy and practice by responding to a Royal Town Planning Institute (RTPI) survey. This was supplemented by a trawl of local plans and leads provided by CLH Advisers. Follow up interviews with relevant planning staff provide the examples and learning points that form the core of the Guide. At the point of drafting it benefited from the input of a Sounding Board of planners with experience of CLH delivery.

In planning terms CLH is still relatively new, giving scope for creativity and innovation. It is certainly an area where policy and practice continue to emerge. Sharing this is the next step and we hope that you will let others learn from your experiences. At the end of the Guide there is a link to a [CLH Basecamp](#), which is specifically for planners. Here you can post questions and share documents, policies and practice.

How to use the Guide

The Guide is in eight sections. If you only want to read a specific section, just click on the title of the one that interests you in the in the table opposite. Within each section there are embedded links that will take you to more detailed information. Alternatively, you can scroll through the whole document.

Summary : A toe in the water	Key definitions, what is distinctive about CLH, key learning points for Local Plan policy, Development Management practice, Neighbourhood Plans
A Short introduction to Community Led Housing	Definition of CLH Why is it relevant to planners? How is it funded? Who develops the homes? Who manages the homes? What makes a sound CLH proposal?
Local Plan policies for CLH	Embedding CLH into a range of policies <ul style="list-style-type: none"> • Use of Self and Custom Build definition to support CLH development • Spatial development policies • Providing a supply of potential sites for CLH: <ul style="list-style-type: none"> – <i>Building in CLH as a mechanism for delivering S106 market led developments</i> – <i>Small Sites policy</i> – <i>Entry Level Exception Sites</i> – <i>Rural Exception Sites</i> • Land valuation • Embedding CLH into policy for affordable housing and other tenures Local Plan policies where CLH is a distinct form of development CLH and the Local Plan evidence base
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Neighbourhood Plans and Community Right to Build Orders	Neighbourhood Plan policies for CLH Mechanisms that Neighbourhood Plans can use to support CLH Community Right to Build Orders



[Lancaster co-housing](#)



Glebe Terrace St Ewe [Cornwall CLT](#)

Other sources of support and guidance

National and local sources of support that you can draw on

Case Studies

Involvement of planning officers in a Community Led Housing as part of a market development in the high value landscape of Dartmoor National Park Dartmoor National Park

Cohousing scheme on part of a large development on an allocated site and approved under Local Plan policy for Self and Custom Build in York

Community Land Trust (CLT) developed as part of a large brownfield residential development which includes a Grade 2 listed building in East London

Providing a Plan-Led Framework for Community Led Housing through strategic Local Plan policy and development management practice in Cornwall

East Cambridgeshire District Council - bespoke Community Development planning policy and Supplementary Planning Document (SPD)

Share your thoughts and experience

Link to the Community Led Homes Basecamp for planners to ask questions and share your experiences

Summary: A toe in the water



Community consultation mapping and worksheets - [Brighton and Hove CLT](#) and [Studio Sevens Architects](#)



K1 Co-housing Cambridge

There is a temptation to assume that CLH can be provided through conventional housing policy and practice. Experience demonstrates that this is a false assumption because of the unique and distinctive characteristics of CLH:

- It is led and owned or under the long-term stewardship of the community. Direct engagement with them is critical, even when the homes are part of a larger development.
- CLH is not a single form of development or tenure. It is not just affordable housing or Custom and Self Build development. It responds to the needs of that specific community. Local Plan policies and Development Management practice needs to recognise and be responsive to this flexibility.
- CLH schemes will have to conform to the Memorandum and Articles of their legal incorporation. These will define: 'the community' whether this be geographic or a group that share a common ethos; the tenure; who will occupy the homes and the need for an asset lock and the benefits to be retained for the community in perpetuity. These will need to be taken into account in Development Management discussions and in framing planning obligations.
- CLH schemes will have a different financial viability profile. Their income is likely to be constrained by their objective if they are providing affordable housing and or other community benefits. Their costs are likely to be higher reflecting their more limited borrowing capacity.

For these reasons the land price is critical and local policies should seek to bring forward sites where the land price is below full residential value.

These characteristics require that Local Plan policy explicitly mentions this form of development and adaptations are made to standard Development Management practice.

What is Community Led Housing?

There is no statutory definition of CLH and neither does it have a single form. However, the three eligibility criteria for the Government's Community Housing Fund can and have been used to define CLH for planning purposes:

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

Within these parameters CLH can take a number of legal forms, provide a range of tenures from social rent to owner-occupation, including homes for 'downsizers'. It can be delivered through different routes from self and custom build, community build alone and in partnership with a housing association or private developer. To find out more on the forms, funding and on-going management of CLH [click here](#).

What is the relevance of Community Led Housing to planning?

CLH schemes open up housing opportunities to a wide range of people who are currently unable to find a home they can afford or that meets their needs. That these developments are led and owned by the community means they attract high levels of support. In consequence they encounter little of the vociferous opposition that often accompanies new housing development. As part of a regeneration or self-help development they draw in those people often left out of opportunities to live well, using money and investment spent in the neighbourhood to benefit their communities.

As planners you play a critical role in ensuring that a community's ambition becomes homes on the ground. The policies and the Development Management practice you adopt determines whether they have a deliverable site and build a high quality scheme.

But this is not a one-way street. The process by which CLH is developed and the homes it provides helps LPAs achieve some of the requirements placed on them by the National Planning Policy Framework (NPPF) and statute, including:

- **Fulfil the purpose of planning to promote sustainable development.** Through the development process and what they provide CLH schemes are integrated action that provides social, economic and environmental benefits.
- **Assess and reflect in Local Plan policy the size, types and tenures of housing for different groups.** CLH responds directly to the specific housing needs within a particular community across the range of housing types, sizes and tenures
- **Early engagement to improve the effectiveness of the planning application system with better co-ordination between public and private resources and better outcomes for communities.** CLH provides a direct route for planners to engage early and work in collaboration with communities on development proposals.
- **Housing Act 2016 requires Local Planning Authorities (LPAs) to make land available to meet the demand on their self-build registers.** By adopting policy and practice that supports CLH, LPAs will be taking steps towards meeting this statutory requirement as CLH falls within the statutory definition of Self and Custom Build housing.

Key lessons from practice to date

This Guide provides examples of how planners have already supported CLH. From their experiences a number of learning points have emerged for those designing Local Plan policy, providing Development Management, and preparing Neighbourhood Plans.



Fishponds Road [Bristol CLT](#)

Key learning points for Local Plan policy

CLH is not a single form of development, but it would be expected to conform to the [three eligibility criteria for the Community Housing Fund](#). The flexibility of this definition ensures that CLH schemes are responsive to the needs and circumstances of their community. Local Plan policy needs to support this flexibility by explicitly including the generic term CLH in policy, rather than referring to a specific CLH model.

Most commonly, CLH has been supported in Local Plans by embedding it in a raft of generic policies, which in combination open up opportunities for CLH delivery, including Self and Custom Build. Alternatively, but to date less frequently, Local Plans may adopt a bespoke Community Led Development policy.

CLH can deliver all housing tenures. Most commonly schemes include affordable housing in the form of homes for rent or sale. Policy should be worded so that CLH is one option for delivering this tenure, but should not be promoted to the exclusion of other delivery methods.

All types and scale of site are suitable for CLH. It may deliver all or part of an allocated or windfall site, be on a rural exception site, or be part of the LPA's policy for providing self and custom build plots. It may even be suitable for Entry Level Exception Sites.

CLH schemes have different financial viability profiles to conventional delivery. The income they generate is likely to be lower as a consequence of providing affordable housing and sometimes other community benefits on site. Their limited asset base pushes up the cost of borrowing resulting in higher costs. To meet their objectives the Local Plan viability assessment needs to test CLH delivery with ensuing policies designed to bring land comes forward at a price that makes it viable for CLH delivery.

It is good practice to have a coherent suite of planning documents for CLH. This would include policy in the Local Plan, a bespoke SPD or including a CLH section in a housing SPD, and tailored S106 Agreement templates. Together these support transparent and consistent decision making. They also provide clarity to communities of what is expected of them and the parameters within which they need to design a scheme. Equally, the planning documents need to be written with an awareness of the need for CLH organisations to meet their legal purposes.

The design and implementation of policy is significantly enhanced by close working with the local authority housing enabler and a local CLH technical adviser. The latter may be provided by a local CLH Hub, or specialist officers employed by the council.

For more details and examples of Local Plan policies that support CLH click [here](#).

Key learning points for development management practice

Early and ongoing engagement with the CLH organisation is essential. Whilst this will require a time commitment from Development Management officers, experience shows that it significantly reduces objections and delaying tactics when the formal planning application is submitted. In so doing the overall time required from Development Management staff is also reduced.

Take time to understand what it is the community wants to achieve through the scheme. This will help you and them find solutions to problems that may emerge and still ensure the scheme conforms to the principles of policy and is deliverable.

Advice and information requests need to be clear and laid out at the start of the process with no late surprises. CLH organisations are run by volunteers who do not always have the relevant skills, resources or time that a conventional developer has to hand. Providing clear advice and timely requests for information will enhance the confidence and ability of the CLH organisation to provide what you need and maintain community support.

Be prepared to be the broker and in some cases act as the 'bad cop'. A CLH group may have unrealistic ambitions for their scheme. Timely explanation to the community of the reasons why the scheme has to be designed in a particular way maintains their support. Sometimes this is better coming from an outside expert, such as the local authority planner.

Be pragmatic. CLH schemes operate under a number of constraints that affect their room for manoeuvre.

- The Memorandum and Articles of their legal incorporation will determine what their schemes can provide and to whom the homes can be let/sold.

- They are often one-off developments which means the funding package may be very different and more costly. Asking for too much in terms of aesthetic design can kill a scheme. It is possible to compromise and find design solutions that meet the principles of design policies.
- They may be providing other community benefits, such as open space or community buildings, that have been instrumental to community support for the scheme. This may mean that a lower affordable housing contribution than the policy requirement is offered so these benefits can be provided.

Be ready to hold a partner to account. Sometimes a CLH group will work in partnership with a housing association or private developer who will submit the planning application. But the community should still be in the lead and you should ensure that they are involved in pre-application discussions.

Don't think you have to carry all the work. It is often more efficient and effective when shared with policy planners and the housing enabling officer. Establishing a relationship with the CLH Technical Adviser supporting the community can also reduce your time input. They can help the community articulate their position, explain to them that of the LPA; and help them provide you with accurate information.

For more details and examples of Development Management practice click [here](#).

Key learning points for Neighbourhood Plans (NP)

A CLH policy should only be included in a Neighbourhood Plan where it adds, elaborates or localises a Local Plan policy.

A Neighbourhood Plan policy supporting CLH is likely to be effective where support for this form of development is written into the policies of the Local Plan. Where this is absent including such policies in the NP could be regarded as not in conformity with the higher level plan. It is not as yet clear in guidance (or from challenges) whether this is the case so this issue should be checked early in the plan preparation period.

In line with requirements in the NPPF, 'made' Neighbourhood Plan policies, including those for CLH, should be reviewed at least every two years.

Making site allocations can contribute to opening opportunities for CLH delivery. Moreover, this is probably now necessary to ensure the Neighbourhood Plan policies are able to withstand development allowed under the Presumption in Favour of Sustainable Development when the Local Plan is out of date. Four factors should be taken into account when allocating sites where CLH could be provided:

1. Except with the formal agreement of a landowner, a site cannot be allocated solely for CLH or affordable housing. The key concern is that once allocated in principle a site attracts added value that can make it unviable for the delivery of CLH.
2. Any site allocation should be of a size large enough to trigger an affordable housing contribution that could be delivered by a CLH organisation.
3. Any allocation should be accompanied by policies for delivery of housing, including affordable housing and Self and Custom Build, which should include CLH as one mechanism for delivery.

4. Rural exception sites cannot be allocated. It would, however, be helpful for a Neighbourhood Plan to define a formal or informal settlement boundary in order that exception sites can be identified.

If the principal objective of a community is to provide housing to meet its needs, or if it is proving difficult to gain enough interest in preparing a Neighbourhood Plan, a more direct and less resource intensive route would be to set up a CLH organisation.

A policy cannot name a specific CLH organisation as the means of delivery. It could however be identified in any implementation plan for the Neighbourhood Plan, but the organisation should already exist, although full and formal registration is not necessary.

For more details and examples of how Neighbourhood Plans have included CLH click [here](#).

A short introduction to Community Led Housing

What is the relevance of CLH to planning?

CLH is sustainable development in practice

Who it houses, how the community is involved, how it is built and what other benefits it brings means that CLH is sustainable development in practice. Whether it's an urban regeneration project, a large brownfield development or a small village scheme, through integrated action it will improve the social, economic and environmental well being of the community it serves.

CLH helps planners meet national policy requirements and statutory duties

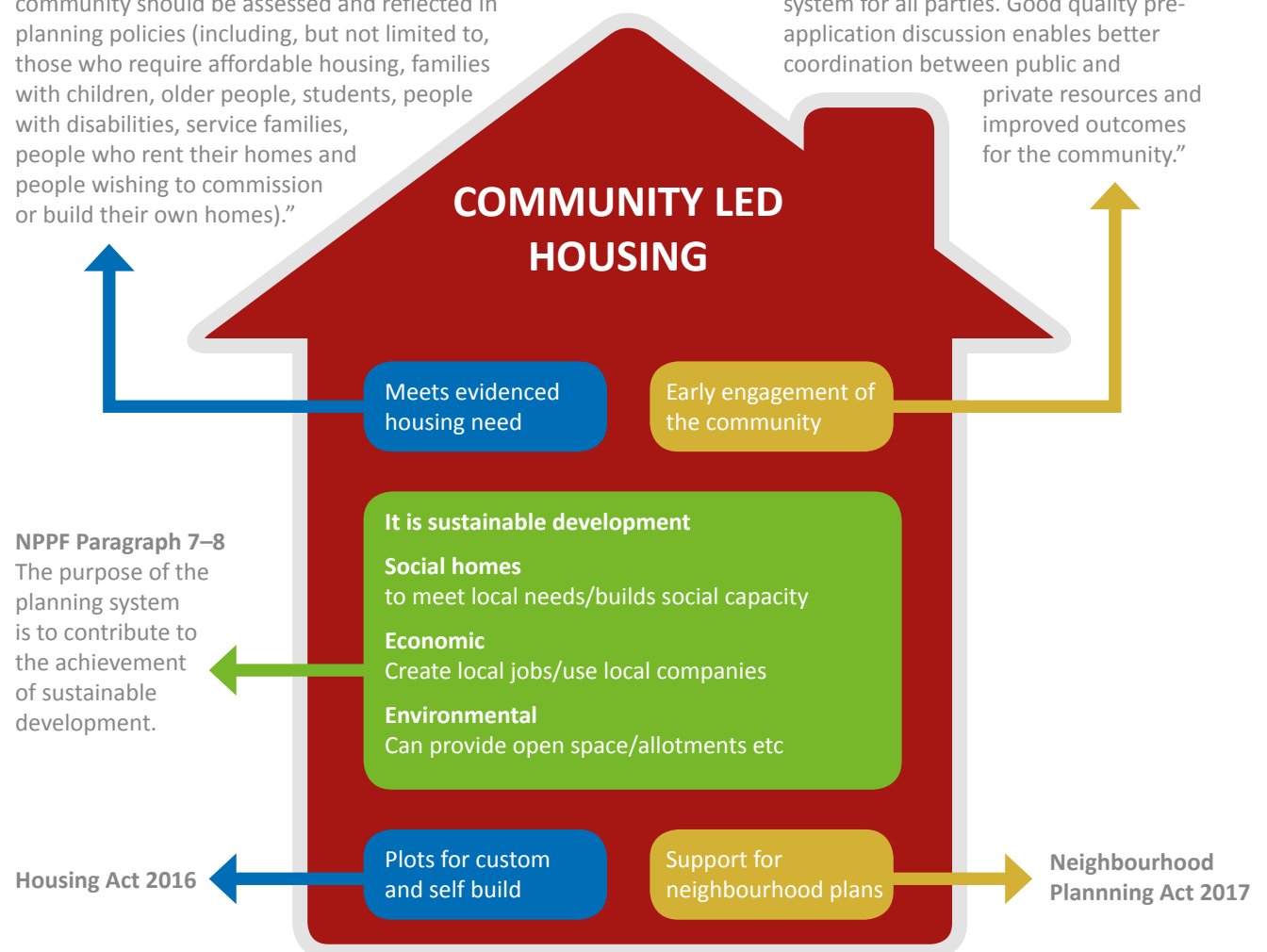
CLH is not specifically mentioned in the NPPF, but as Diagram 1 shows what it provides and the process by which it is delivered means that it can directly help planners meet a number of the requirements that are placed on them by the NPPF, the Housing Act 2016 and the Neighbourhood Planning Act 2017.

"NPPF Paragraph 59 & NPPF Paragraph 61

Within this context the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, people who rent their homes and people wishing to commission or build their own homes)."

"NPPF Paragraph 39

Early engagement has significant potential to improve the efficiency and effectiveness of the planning application system for all parties. Good quality pre-application discussion enables better coordination between public and private resources and improved outcomes for the community."



What is CLH?

At its simplest, CLH is housing that is built, controlled and owned by the community. This may be a community defined by geographic place or a community of 'intent', for example a group of people who share an ethos or are a particular age group.

It is definitely not a one size fits all approach and whilst not defined in law, the eligibility criteria used by the Government for its [Community Housing Fund](#) provide the principles that CLH schemes would be expected to demonstrate:

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

These principles can and have been adopted in Local Plans to provide the definitional underpinnings for their policies and Development Management practice for CLH.

Forms of CLH

The form CLH takes will be determined by how it came into being, what the scheme will provide and how it will be managed in the longer term. The seven most common forms are:

Community Land Trusts
Cohousing
Co-operatives
Self-Help housing
Community Self Build
Self Finish
Tenant Management Organisations

More information on each of these forms and the legal structures they adopt can be found [here](#) on the new one stop website for CLH.

What type and tenure of homes will CLH provide?

The size and tenure mix will be shaped by what the community identifies as its need. For many the principle tenure will be affordable rented homes, combined with different forms of affordable sale. Others will include some market housing, either because it is what that community needs or because it provides necessary cross-subsidy for the affordable homes.

How is CLH funded?

Like any other development CLH is funded through raising private loan finance and if the scheme involves affordable housing it will also draw on capital subsidy.

Sources of private loan finance include:

- Ethical lenders
- Community Shares
- Crowd Funding
- Public Works Loan Board
- Existing housing associations (Registered Providers [RPs]) - where they are working in partnership with a CLH group. The RP will raise the loan through its own loan facility that funds its development portfolio.

Capital subsidy

In common with conventional affordable housing, the grant element comes from four principle sources:

- Government capital grant administered through Homes England. In September 2018 a specific [CLH capital funding](#) was announced. CLH schemes would also be eligible for Affordable Homes Programme funding. To access either of these sources the CLH group needs to be an Investment Partner and, if it is to be the landlord, it must be a Registered Provider.
- Local authority capital grant - including Right to Buy receipts
- Section 106 commuted sums
- Cross-subsidy from market housing

Who develops the homes?

The CLH group may choose to develop the homes themselves, taking responsibility for all aspects: putting together a business plan, raising the finance, carrying out viability assessments, submitting the planning application, managing the build contract.

Others choose to work in partnership with an existing Registered Provider (RP) who takes responsibility for the pre-development and build, but takes its lead from and involves the CLH group throughout the process. In the case of CLTs they will own the freehold and lease the land to the RP on a long lease (60 - 125 years).

Others may work in partnership with a private developer on a market site. At completion the CLH organisation will buy the homes and take them into their control.

Who manages the homes?

Again, this will vary according to the degree of involvement the CLH group want. All will want a say in the allocations criteria, but the actual nominations may be made by the group itself or by contracting a housing association to do this on their behalf. Whichever management route the CLH organisation adopt, they must be able to demonstrate that they offer high quality, fair and transparent management. This topic is explored in further detail [here](#).

Local Lettings

A critical feature of CLH housing is that it is occupied by the beneficiaries as defined in the CLH organisation's legal Memorandum and Articles. This will necessitate the use of bespoke lettings arrangements. It is usual practice for these to be part of the S106 Agreement, a topic that is explored in further detail [here](#).



What makes a sound CLH proposal?

There are eight elements that CLH organisations would be expected to be able to demonstrate. How planners can assure themselves that these are in place and support CLH groups meet the requirements are explored in more detail [here](#). In summary, a CLH group should be able to show:

- It meets the three criteria that define CLH.
- It has a formal legal structure with robust governance arrangements in place.
- It has engaged its community and the proposal has community support.
- It is meeting the evidenced needs of its community.
- It has a suitable site.
- The proposal is financially viable.
- It has fair and transparent arrangements for the immediate and long-term management of the properties.
- Arrangements are planned or in place to retain in perpetuity any community benefits and assets, including the affordable housing.



ABOVE and ABOVE RIGHT: [Stretham and Wilburton CLT](#)

Local plan policy for community led housing



Marmalade Lane Co-housing development - Cambridge

This section covers the following topics:

- ➔ Key learning points for planning policy from existing practice
- ➔ Embedding CLH into a range of policies:
 - Use of Self and Custom Build definition to support CLH development
 - Spatial development policies
 - Providing a supply of potential sites for CLH
 - Building in CLH as a mechanism for delivering S106 market led developments
 - Small Sites policy
 - Entry Level Exception Sites
 - Rural Exception Sites
 - Land valuation
 - Embedding CLH into policy for affordable housing and other tenures
- ➔ Local Plan policies where CLH is a distinct form of development
- ➔ CLH and the Local Plan evidence base

Key learning points for planning policy from existing practice

CLH is not a single form of development, but should conform to the [three eligibility criteria for the Community Housing Fund](#). The flexibility of this definition ensures that CLH schemes are responsive to the needs and circumstances of their community. Local Plan policy needs to support this flexibility by explicitly including the generic term ‘Community Led Housing’ in policy, rather than referring to a specific model.

Most commonly CLH has been supported in Local Plans by embedding it in a raft of more generic policies, which in combination open up opportunities for CLH delivery, including policies for Self and Custom Build. Alternatively, but to date less frequently, Local Plans may adopt a bespoke Community Led Development policy.

CLH can deliver all housing tenures. Most commonly, schemes include affordable housing in the form of homes for rent or sale. Policy should be worded so that CLH is one option for delivering this tenure, but should not be promoted to the exclusion of other delivery methods.

All types and scale of site are suitable for CLH. It may deliver all or part of an allocated or windfall site, or be on a rural exception site. Or it could be part of the LPA’s policy for providing Self and Custom Build plots. It may even be suitable for Entry Level Exception Sites.

CLH schemes have different financial viability profiles to conventional delivery. They have lower income levels if providing affordable housing and sometimes other community benefits on site. Their limited asset base pushes up the cost of borrowing resulting in higher costs. So that schemes can meet their objectives, the Local Plan viability assessment needs to test CLH delivery with ensuing policies ensuring that land comes forward at a price that makes it viable for CLH delivery.

It is good practice to have a coherent suite of planning documents for CLH. This would include policy in the Local Plan, a bespoke SPD or including a CLH section in a housing SPD, and tailored S106 Agreement templates. Together these support transparent and consistent decision making. They also provide clarity to communities of what is expected of them and the parameters within which they need to design a scheme. Equally, the planning documents need to be written with an awareness of the need for CLH organisations to meet their legal purposes.

The design and implementation of policy is significantly enhanced by close working with the local authority housing enabler and a local CLH technical adviser. The latter may be provided by a local CLH Hub, or specialist officers employed by the council.

Two approaches to Local Plan policy for CLH

There are two routes in which Local Plan policy has been used to support the delivery of CLH:

1. Embedding CLH into a range of policies that, in combination, support its delivery. This is the most common approach. Often, but not exclusively, as part of policies for Self and Custom Build.
2. Defining CLH as a form of development and adopting specific policies for Community Led Development. To date this has not been a frequently used approach.

Embedding CLH into a range of policies

The most common approach is for CLH to be noted in a number of policies throughout the Local Plan. In so doing policy opens up site opportunities of different sizes, in different locations and at prices that make it viable to deliver CLH.

This section offers examples where CLH has been embedded into four policy topics:

- Using Self and Custom Build definition to support CLH development
- Spatial development policies
- Providing opportunities for CLH to use a range of site types
- Affordable housing policies

Use of Self and Custom Build definition to support CLH development

A number of local authorities have used Self and Custom build policies, or use of that term, to open up site opportunities for CLH. These are all predicated on the acceptance that CLH falls into the definition of Self and Custom build housing as set out in statute and the NPPF.

NPPF Paragraph 61 calls on LPAs to assess and then reflect in policy the size, tenure and type of housing need for different groups. Within the list of defined groups are people who wish to commission or build their own homes. In a footnote it refers to the requirements placed on LPAs by the Self and Custom Housebuilding Act 2015 to give enough suitable development permissions to meet the identified demand, as evidenced from their Self and Custom Build registers.

NPPF glossary - defines Self and Custom Build housing as 'Housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Such housing can be either market or affordable housing. A legal definition, for the purpose of applying the Self-build and Custom Housebuilding Act 2015 (as amended), is contained in section 1(A1) and (A2) of that Act.'

Self and Custom Housebuilding Act 2015 -

provides the following definition

The building or completion by -

- (a) individuals,
 - (b) associations of individuals, or
 - (c) persons working with or for individuals or associations of individuals,
- of houses to be occupied as homes by those individuals.

CLH in the form of cohousing and fully mutual co-operatives would fall into (b) and Community Land Trusts into (c) of the statutory definition.

Throughout this section examples have been included where the LPA has used this interpretation.



Self-builder Fishponds Rd - [Bristol CLT](#)

Spatial development policies

Cornwall Council - Providing a Plan-Led Framework for CLH

Cornwall Council has been in the vanguard of a positive plan-led approach to development. Although it is a predominantly rural area the underpinning principles are equally relevant to an urban setting. This includes a commitment to work with communities to find solutions to the challenges they face in its [Local Plan Spatial Development Policies](#).

Cornwall Council Local Plan - Adopted 2016

Policy 1 Presumption in Favour of Sustainable Development

The policy opens with the following statement: “When considering development proposals the Council will take a positive approach that reflects the presumption in favour of sustainable development contained in the National Planning Policy Framework and set out by the policies of this Local Plan. We will work with applicants, infrastructure providers and the local community to find solutions which mean that proposals will be approved wherever possible, and to secure development that improves the economic, social and environmental conditions in the area. “

The supporting text sets out that the strategy is built on the distinctive nature of the county and the connections between its towns, villages and rural areas. Strategic development is focused in the main towns, but using a framework of Community Network Areas it seeks to ‘*promote this as a longer term sustainable pattern of development which recognises that many of our smaller places could provide better opportunities to be more self-contained or work collectively to provide a range of services allowing development of an appropriate scale to meet their needs.*’ (para 1.38).

Specifically, its Spatial Development sets out the objectives that development should seek to meet including:

Part of Policy 2 Spatial Development

D Supporting the delivery of made Neighbourhood Plans and other community based initiatives that help to make communities more resilient.

The Council is currently drafting SPD that will develop its approach to supporting CLH.

To date, 19 CLH schemes have been delivered across the county. Critical to this success has been the formalised and close working of planning officers, housing enabling staff and the independent Cornwall Community Land Trust that provides technical support for communities looking to develop CLH. The Council was also a significant beneficiary of the first tranche of Community Housing Fund that it has used to employ a CLH officer, grant funding to help communities design and submit their schemes for planning, and a revolving loan fund. The package has proved to be so successful that the Council is considering employing a second CLH officer.

BENEFITS OF THE APPROACH

Noting support for community based initiatives within the spatial development policy gives considerable weight to the acceptability of this form of development. In turn this gives confidence to community groups to pursue CLH.

Linking community led solutions to delivering sustainable development and creating more resilient communities encourages CLH groups to look at what additional benefits can be delivered through their scheme.

From a rural perspective the particular strength of the Cornwall approach is the adoption of community networks rather than a settlement hierarchy. It implements the NPPF and NPPG by recognition that even small places have the potential to be more self contained and work collectively to provide services. In so doing it opens up CLD opportunities for even the smallest communities.

Policy and practice work hand in glove through the joint planning and housing development teams, the deployment of other LA resources to support CLH and the close working with Cornwall CLT.

HOW IT COULD BE STRENGTHENED

The policy could be strengthened by making explicit mention of CLH as a form of community based initiative.

More details of the Cornwall Council approach can be found in the [Case studies](#).

Providing a supply of potential sites for CLH

All types of site are suitable for CLH. However, CLH groups will only be able to take up these opportunities if the policy serves to reduce land value by identifying CLH as a potential use. With this requirement in place land valuations will need to take account of the viability profile of CLH development. Namely, that providing affordable housing and or other community benefits means income generation is likely to be lower. On the other side of the equation the lack of an existing asset base is likely to increase the costs of borrowing.

This section provides examples of where Local Plan policies have opened up opportunities for CLH on different types of site. It would be advisable to incorporate CLH into all site type and housing mix policies. In so doing CLH will be embedded into the valuation of a site, resulting in a price that makes it viable to deliver CLH.

Building in CLH as a mechanism for delivering S106 market led developments

Market Led S106 residential schemes offer an important route for CLH delivery. A CLH group may choose to develop the whole site, but more commonly their interest will be to work in partnership with a developer, either buying a proportion of the site and building themselves or purchasing the completed homes.

York City Council - Requirement for provision of plots for CLH on strategic sites

City of York Regulation 19 Draft Local Plan Policy H4: Promoting Self and Custom Build House Building



Lowfield Green - aerial perspective of proposed site part of which will be developed by YorSpace

As part of meeting housing need, proposals for self and custom house building, to be occupied as homes by those individuals, will be supported where they are in conformity with all other relevant local and national policies.

On strategic sites (sites 5ha and above) developers will be required to supply at least 5% of dwelling plots for sale to self builders or to small/custom house builders subject to appropriate demand being identified. Plots should be made available at competitive rates, to be agreed through Section 106 agreements, which are fairly related to the associated site/plot costs. In determining the nature and scale of provision the Council will have regard to viability considerations and site-specific circumstances.

These schemes will:

- be individually designed employing innovative approaches throughout that cater for changing lifetime needs;
- provide for appropriate linkages to infrastructure and day to day facilities; and
- include a design framework to inform detailed design of the individual units where more than one self/custom build unit is proposed.

Where a developer is required to provide self and custom build plots the plots should be made available and marketed for at least 12 months. Where plots have been appropriately marketed and have not sold within this time period these plots may be built out as conventional plots for market housing by the developer. Communities preparing Neighbourhood Plans will be encouraged to consider the identification of sites for self and custom build projects within their neighbourhood plan area.

In the supporting text it defines self and custom build as:

“5.31 For the purpose of this policy self house builders are being defined as, someone who directly organises the design and construction of their new home i.e. DIY self build home. This can also include: projects where the self builder commissions an architect/contractor to build their home; projects delivered by kit home companies; or community led projects where the community organises construction work.”

It goes on to acknowledge that this policy and the term Custom Self-Build refer to a range of dwelling types that are based on different models of delivery. It includes:

- Independent community collaboration where a group of people acquire a site and split into plots for self build homes, which may include sharing labour and expertise; and
- Supported community self build where a social landlord or a similar supportive body helps people build a group of homes together.

Although not yet adopted the principles of this policy have resulted in outline planning permission for a co-housing scheme on council owned land, as part of a larger market development. You can read more about this scheme in the [case studies](#).

BENEFITS OF THE APPROACH

By explicitly recognising the viability factors of CLH in the policy and linking this to site price it is likely it will be viable to deliver CLH.

The supporting text makes it clear that this policy could be used by different forms of CLH organisation, e.g. co-housing, CLTs, co-ops etc.

It is a policy that can be applied to private and publicly owned land, greenfield or brownfield sites.

The policy provides a fallback position if the plots are not sold, which could give developers more confidence in the policy approach.

HOW IT COULD BE STRENGTHENED

The policy would be stronger if it incorporated the wider CLH definition into the policy, or used the generic CLH term with a footnote using the Community Housing Fund definition.

The size of the site which triggers the CLH plot provision is quite high. This could rule out smaller sites also providing CLH opportunities.

It only refers to making plots available and so potentially could rule out ‘off the shelf’ purchase of dwellings by a CLH organisation.

The fall back position triggered when plots are not sold could first require that the built out units are offered to an RP or CLH group as affordable housing. If there is still no take up they could then be offered into the open market.



Site plan- Lowfield Green including [YorSpace](#) co-housing scheme development*

* Building Design Partnership shall have no responsibility for any use made of this document other than for that which it was prepared and issued.



Community consultation [YorSpace](#) Co-housing scheme

Embedding CLH into policies for housing mix and tenure

Cheshire West and Chester Council and New London Plan

Cheshire West and Chester Local Plan Policy SOC 3 Housing Mix and Type

In order to support mixed, balanced and sustainable communities, the Council will seek to provide a mix of housing types, tenures and sizes of both market and affordable housing. Proposals for new housing should take account of the needs of that particular area and especially of:

- the provision of small family homes to assist households into home ownership and for older people who may wish to downsize.
- the provision of a range of accommodation types to meet the long term needs of older people. This could include the provision of Lifetime Homes, bungalows and extra care housing.

The Council will support the provision of specialised student accommodation within Chester in appropriate, accessible locations, convenient for the facilities at the University of Chester. The Council will work with organisations such as Community Land Trusts to help bring forward land and schemes for self-build groups and individuals.

New London Plan - draft with minor modifications

1.4.5A The homebuilding industry itself also needs greater diversity to reduce our reliance on a small number of large private developers. New and innovative approaches to development, including Build to Rent, community led housing, and self- and custom-build, will all need to play a role, and more of our new homes will need to be built using precision-manufacturing. Alongside this, there will need to be a greater emphasis on the role councils and housing associations play in building genuinely affordable homes.

The New London Plan policy set out above is also incorporated into a policy for small sites and regeneration sites, as noted later in this section. The strength of this policy is enhanced by accompanying policies for affordable housing contributions and a mayoral target for community led housing.



BENEFITS OF THE APPROACH

Both policies make explicit mention of CLH housing alongside or as part of delivering Self and Custom Build. However, the broader term 'community led housing', in the New London Plan provides the flexibility for all forms of CLH to come forward.

The policies cover all types and sizes of site and types of housing development.

HOW THEY COULD BE STRENGTHENED

Neither of these policies include any mechanism for ensuring sites come forward at a price that makes it viable to deliver CLH schemes, so they may lack the teeth to be achievable.

To some extent this is offset by the affordable housing policies within the Local Plan and in London's case, the mayoral target for CLH delivery.

The New London Plan policy would be stronger if it referenced CLH also as a provider of affordable housing, alongside councils and housing associations. Similarly, the Cheshire West and Chester Local Plan policy could note the role of CLH in delivering affordable housing.

St Clements CLT - Lewisham

The [case studies](#) provide examples of where LPAs have secured CLH as part of a market development:

- St Clements CLT in East London - a CLT buying 'off the shelf' affordable sale housing provided as part of a large brownfield site.
- YorSpace co-housing scheme on a strategic site owned by York City Council
- Chagford on a relatively small site in Dartmoor National Park.

Small Sites policy

Submission draft of the New London Plan

The Submission draft of the New London Plan takes its starting point from the NPPF requirement that LPAs 'identify through the development plan and brownfield registers, land to accommodate at least 10% of their housing requirement on sites no larger than one hectare'.

At the time of writing this was at Examination and the supporting text (paragraph 4.2.10) makes the case for diversifying the providers of housing and states that, 'Small sites can be particularly suitable for well-designed community-led housing projects', which it defines using the Community Housing Fund (CHF) criteria. It goes on to state that Boroughs should support such projects where these developments are integrated with existing neighbourhoods and support mixed and inclusive communities.

Interestingly, it also suggests that, 'Some community-based projects to create residential moorings may be considered as community led housing (part A.4 of Policy H2 Small sites and small housing developments)' - in para 9.16.2

The policy itself explicitly notes CLH as one of the intended beneficiaries of the policy.

The New London Plan - submission draft Policy H2 Small sites and small housing developments

A Small sites (below 0.25 hectares in size) should play a much greater role in housing delivery to achieve the ten-year housing targets set out in Policy H1 Increasing housing supply and Boroughs should pro-actively support well- designed new homes on small sites through both planning decisions and plan- making in order to:

- 1) significantly increase the contribution of small sites to meeting London's housing needs
 - 2) diversify the sources, locations, type and mix of housing supply
 - 3) support small and medium-sized house-builders
 - 4) support those wishing to bring forward custom, self-build and community-led housing
- 4A) achieve the targets for small sites set out in Table 4.2.

A similar approach could be taken to policies for re-development and regeneration, or policies that encourage the development of small brownfield sites. The New London Plan achieves this by cross-referencing Policy H2 to its brownfield land policy.

BENEFITS OF THE POLICY

The policy explicitly mentions community led housing which it defines in a footnote using the Community Housing Fund criteria.

The supporting text goes on to state that Boroughs should support such projects where these developments are integrated with existing neighbourhoods and support mixed and inclusive communities.

HOW THE POLICY COULD BE STRENGTHENED

The policy does not provide any mechanism for ensuring sites come forward at a price that makes CLH a viable proposition.

There have been some concerns that it will lead to the loss of small green open spaces, including gardens. These concerns could be reduced allowing development of such sites for CLH as an exception to a policy that does not allow their development. This is the same principle that has successfully underpinned the Rural Exception Site policy for over 25 years.



Site constraints, plan and view of [London CLT](#) scheme at Brasted Close - London Borough of Lewisham - designed by [Archio](#)

Entry Level Exception Sites

A number of local authorities have sought to use an urban equivalent of rural exception sites as a means of providing land at a price that makes it viable to provide affordable housing. The requirement in the revised NPPF that LPAs should support Entry Level Exception sites does, to some extent, give national policy back to this approach.

Revised NPPF - July 2018

71. Local planning authorities should support the development of entry-level exception sites, suitable for first time buyers (or those looking to rent their first home), unless the need for such homes is already being met within the authority's area. These sites should be on land which is not already allocated for housing and should:

- a) comprise of entry-level homes that offer one or more types of affordable housing as defined in Annex 2 of this Framework; and
- b) be adjacent to existing settlements, proportionate in size to them, not compromise the protection given to areas or assets of particular importance in this Framework, and comply with any local design policies and standards.

The footnote makes it clear that these sites should not be larger than 1 hectare or exceed by 5% the size of the existing settlement. It also exempts National Parks, AONBs or Green Belt land from this form of development.

POTENTIAL BENEFITS

An Entry Level Exception Site (ELES) policy could identify these sites as appropriate for development by CLH organisations and other providers of affordable housing.

The inherent requirement that these sites provide affordable housing for first time buyers should have the affect of depressing the value to make CLH viable.

POINTS FOR CONSIDERATION

The NPPF policy expects that ELES will meet entry level need across a Local Plan area. This may be at odds with the legal Memorandum and Articles of a CLH group which may define 'community' more narrowly.

A possible approach could be to adopt a cascade that would begin with the homes being offered to the members of the defined community cascading out to the local authority in the final tier. Further legal advice would be required.



Shadwell campaigners hold an action for land on Cable Street for a Community Land Trust. [London CLT](#)

Rural Exception Sites

The policy of allowing development on sites that would not normally be used for housing where it meets a need for local affordable housing in perpetuity is well established. The resulting low site values and the practice of developing these schemes with the full engagement of the community means they lend themselves perfectly for CLH. It is not surprising that so many rural CLT schemes have used this route.

East Devon Local Plan and South Downs National Park Submission Draft Local Plan - tweaking Rural Exception Site policy to encourage CLH development

The East Devon Local Plan provides support for CLH in the supporting text of its generic affordable housing policy and its spatial development policies for small towns and villages. In these locations CLH is specified as a route for development that would be an exception to policies in the Local Plan.



East Devon Local Plan 2013 -3031 Strategy 27 Development at the Small Towns and Larger villages

This policy provides a list of villages where there is a Development Boundary, but no allocated sites. It goes on to state:

‘If communities wish to promote development other than that which is supported through this strategy and other strategies in the Plan (at the settlements listed above or any other settlement) they will need to produce a Neighbourhood Plan or promote community led development (for example Community Land Trusts) justifying how and why, in a local context, the development will promote the objectives of sustainable development.’

The supporting text reads: ‘There is a diminishing pot of public subsidy to pay for affordable homes and increasingly the onus will need to rest on private sector developers subsidising and bringing forward provision or on other innovative solutions being found. Community self build schemes supported by Housing Associations and others, for example Community Land Trusts, can make a contribution to affordable housing and will be welcomed on sites that meet the policies of this plan.’

LEFT: [Lyme Regis CLT](#) rural exception site nearing completion

TOP RIGHT: [Lyme Regis CLT](#) completed homes
[Yarlington Housing Group](#)



South Downs National Park Authority (SDNPA) are also seeking to support CLH through their rural exception site policy, linking this form of development to securing occupancy of the homes by people with a local connection. This is expanded in the supporting text:

South Downs National Park - Submitted Draft Local Plan 2018-10-04 Delivery of rural exception sites

7.83 The Authority will expect all rural exception sites to reflect local needs and aspirations. An effective way to achieve this is through establishing CLTs to drive the delivery of sites. Local partnership arrangements will generally be appropriate for delivering on sites, for example, between CLTs, Parish or Town Councils, Specialist Housing Associations and / or Rural Housing Enablers (RHEs). Whichever delivery model is used, the Authority will seek to ensure that affordable housing remains affordable in perpetuity.

However, it is worth noting that the Regulation 19 consultation revealed concerns that this was too narrow and the development of rural exception sites should also be open to other providers. The Planning Inspector raised this a Matter for Examination to which SDNPA responded by citing that whilst CLTs are strongly encouraged, there is nothing in the Local Plan that suggests the Authority will not work equally with other bodies to ensure appropriate sites are delivered.



BENEFITS OF THESE APPROACHES

East Devon explicitly mentions Community Led Development, citing CLTs as an example, in its policy for rural exception sites.

Both, but particularly the East Devon policy, does not restrict delivery of these sites to CLH organisations, but leaves them open for other providers of affordable housing.

HOW THE POLICIES COULD BE STRENGTHENED

The East Devon policy could be more permissive of rural development by a more positive plan-led approach that includes site allocations in smaller rural communities. In combination with their affordable housing policy, it could leave the door open for these to be developed in full or in part by CLH organisations (see Cornwall policy noted above).

It would be stronger if an option for developing rural exception sites as CLH was in policy rather than supporting text.

The SDNPA approach could be widened to use the term CLH rather than confine it to a particular form.

*LEFT: Community consultation Peacehaven
[Sussex Community Housing Hub](#)*

*TOP RIGHT: Site visit to Lowfield Green co-housing site
[YorSpace](#)*



Land valuation

As the examples above show, planning policies can influence site price and thence whether it is viable to develop CLH. Their likelihood of success can be further enhanced by the approach to land valuation, particularly that in public ownership.

CLH generates social value over and above other forms of housing development. Demonstrating this can help make the case for the release of public land for CLH and inform the valuation of such sites.

To inform decisions on land discounts [Bristol and Bath Regional Capital CIC and HACT](#) have worked with Bristol City Council to develop a calculator that demonstrates the social value and financial savings impacts generated by CLH. It is designed to accurately forecast these benefits in an easy to use format using robust, widely recognised and comparable metrics.

Embedding CLH into policy for affordable housing and other tenures

CLH is a route to providing a range of tenures to meet the needs of the specified community, with mechanisms to ensure that it benefits that community in perpetuity. This can include sale and affordable housing. It is, however, worth noting that NPPF -paragraph 64 in effect provides exemptions for CLH from the requirement that 10% of homes provided through a development should be available for affordable home ownership.

Teignbridge District Council and Arun District Council - CLH as a provider of affordable housing

Arun District Council Local Plan -adopted July 2018

Paragraph 12.3.10

Community Land Trusts (CLTs) will be promoted by the Council as one mechanism for delivering additional affordable housing in Arun. Planning obligations may include prescriptive restrictions to deliver affordable housing that require that developers to endow a CLT with a proportion of the land for affordable housing and/or other community purposes. In delivering a supply of affordable housing the Council will consider and promote a range of development options. The CLT mechanism can contribute to maintaining housing affordability, provide low cost workspace for local services and simultaneously capture increases in land value for lasting community benefit.

Teignbridge Local Plan - adopted 2014 Policy WE2 Affordable Housing Site Targets 1.....

c) affordable dwellings will be sold by developers to a Registered Provider (Housing Association) or other appropriate managing organisation at a price which retains their affordability without the need for external grant funding. These prices will be approved annually by the Council; ...

Teignbridge Local Plan - adopted 2014 WE3 Retention of Affordable Housing

Affordable housing is required to have the following restrictions through planning conditions or obligations or another legally defensible limitation:

- a) The occupation is restricted to households in need of affordable housing in accordance with appropriate officially published criteria such as those used by the Housing Authority for social and affordable rent housing and the Homes and Communities Agency for intermediate housing;
- b) the price or rent is limited to no more than 80% of the market levels in perpetuity. Where this is not possible, for example where the right to acquire applies, receipts must be recycled for alternative affordable housing provision;
- c) where an acceptable registered provider cannot be secured to take ownership of affordable housing, a cascade of potential providers will be agreed, including registered providers, Teignbridge District Council, Community Land Trust and finally sale with Devon occupancy restrictions; and
- d) Custom build housing which meets a-c above will be considered affordable housing.

BENEFITS OF THE APPROACHES/POLICY

Citing in policy the mechanism to control the 'transfer price' of affordable housing from developers to affordable housing providers will help ensure land values make CLH a viable proposition.

Explicit mention of CLTs, which are a form of CLH, in the mechanisms for retaining affordable housing, offers up opportunities for CLH.

This is even more explicit in the supporting text in the Arun Local Plan.

HOW THESE COULD BE STRENGTHENED

Both the policies and supporting text could use the term CLH, rather than referring to just to CLTs. This would leave the opportunity for different CLH models that may be more appropriate to particular communities.

It would need to be defined in, or as a footnote to the policy. This could use the Community Housing Fund (CHF) definition. Alternatively, because CLTs are the only form of CLH that have a statutory definition, the policy could refer to CLTs and other forms of CLH that conform to the CHF definition.

Definition of affordable rented housing

The revised NPPF tightened the definition of affordable rented housing requiring that it meet three criteria, one of which is that the landlord is a registered provider (RP). The exception to this is if the homes are provided through a Build for Rent scheme.

In line with their legal objectives most CLH organisations will seek to provide housing that meets the housing needs of their community. For many this includes affordable rented homes, let at affordable or social rents.

Some community housing groups will meet the NPPF definition, either because they are in a formal partnership with a Registered Provider (RP), or because they have chosen to become one in their own right. It is likely that more will go down this route as schemes will only be eligible for Community Housing Fund capital grant if the landlord is an RP.

Others, particularly very small CLH organisations and those who are funding the development themselves, may choose not to become a RP. Often this is driven by the complexity and cost of the registration process.

It is important that planning policies and S106 Agreements leave the door open to CLH organisations to provide affordable rented housing, whether or not they are an RP. Equally, the local authority needs to be assured that the non-RP organisation is providing high quality, fair and transparent management and maintenance of the properties.

The NPPF is not statute, but a material consideration, and as such there is leeway for policy to include other approved providers, including those that are formal legal entities.

Prior to the 2019 NPPF, a number of local authorities opened up provision of affordable rented housing to non- RPs. They ensured the homes would be well managed by requiring that the organisations were on their approved provider list, having met eligibility criteria and standards.

Leeds City Council - formal local qualification for alternative providers of affordable housing

The Council's template for Section 106 Agreements makes provision for alternative providers of affordable housing and was used to allow for part of a market development to be transferred to Leeds Community Homes. It includes the following definition:

'Housing Association'

Means any one or more of the housing associations identified on the xxx Schedule or any other housing association or registered social landlord registered in accordance with Part 1 Chapter 1 of the Housing Act 1996 (or as redefined by any amendment, replacement or re-enactment of such Act) as proposed by the Owner and approved by the Chief Planning Officer or any company or other body as proposed by the Owner and approved in writing by the Chief Planning Officer.



In addition, their S106 Agreements include a clause that provides discretion to the Chief Planning Officer over the affordable housing provider, as long as the organisation is on the Framework and will secure the homes as affordable in perpetuity.

To become approved providers on the Leeds City Council's Provider Framework organisations have to meet four criteria:

They:

1. Are financially robust.
2. Have a commitment to future housing investment in Leeds.
3. Can demonstrate the ability to protect Affordable Housing in perpetuity
4. Have satisfactory management processes in place.

These and the associated questions are set out in the published eligibility criteria with an application form. Once approved there is a formal signed agreement between the City Council and the provider.

The approved organisations may not necessarily be a signatory to the S106 Agreement, but it is a requirement that the signing developer transfers the affordable homes to a Provider from the Framework. [Leeds Community Homes \(LCH\)](#), which is a CLT, is an approved provider and was selected by a property developer, CITU, to take on 16 affordable homes on a development in the city's Climate Innovation District. LCH will let nine of the homes at a social rent and sell the remaining five at two-thirds of market price to ensure the homes will be permanently affordable.

Leeds City Council plan to continue with this approach on the grounds that it is appropriate to local circumstances.

Site visit to CITU site Leeds [Leeds Community Homes](#)

Swaffham Prior CLT
East Cambridgeshire

Scarborough Borough Council, through its Affordable Housing SPD adopted March 2018, has adopted a slightly less formal approach. Their aim is to be as flexible and pragmatic as possible recognising the special circumstances under which many local charitable housing trusts and CLTs operate.



East Cambridgeshire District Council Community Led Development SPD requires CLH groups to demonstrate that they have a transparent and accountable organisational structure. Within this are two criteria that specifically relate to management and allocations.

To streamline this process these and the other requirements could become a standardised protocol that could become part of the planning application process.

Scarborough Borough Council: Affordable Housing SPD - March 2018

3.13 In some cases independent local charitable trusts provide affordable housing for local people in housing need. Most are for older or disabled people living in a specific geographical area or connected with a particular trade (for instance Almshouses). We accept that, whilst such Trusts do not fully meet the criteria of the affordable housing definition as outlined in online Planning Policy Guidance, they do provide a form of social housing that plays a part in meeting local housing need, therefore the Council will adopt a flexible approach to the consideration of stand alone applications for proposed developments by such bodies.

3.14 In these instances the Council would not expect such a provider to provide additional affordable housing or expect the homes provided to be in strict accordance with the Councils definition of affordable housing.

East Cambridgeshire SPD - Community Led Development - adopted 2016

The District Council will expect a 'legitimate local community group' to demonstrate:

That it is representative of the local community – this might be evidenced by the number and type of local members of the organisation, petitions, letters of support etc. Also evidence that all members of the local community have been encouraged to become members and/or play an active part in its work.

That it has a democratic structure – the local community are able to be involved in the activities and decisions of the organisation, and there is a management committee which is representative of the local community with a balanced decision-making process.

That it is controlled by the local community – the local community are able to influence the strategic direction of the organisation through election onto a local board of management. Where there are professional partner groups involved (as discussed above), it will be important to demonstrate that the local community group leads on the major decisions and has appropriate control of matters.

That it has clear management policies and procedures in place – particularly to deal with conflicts of interest on decisions around allocation of resources.

That it avoids any suggestion of financial impropriety – its local board of management acts solely in a voluntary capacity in the best interest of the organisation.

That it is not for profit - any profits generated by the organization cannot be paid by way of dividends or otherwise to its members but must be used to further the community's interests.

Recognising CLH as a provider of owner occupied housing

It is worth noting here that not all CLH is affordable housing. For example, Cohousing schemes may be designed to meet the needs of a community of intent, for example a group of older residents, or group that have come together because they share a common ethos in how to live their lives.

In some cases, Cohousing schemes will include a mix of tenures. For example, the ground breaking [Older Women's Cohousing](#) scheme in London provides 25 self-contained flats with shared communal facilities and gardens, managed on Cohousing principles. It consists of 11 one-bed, 11 two-bed and 3 three-bedroom flats. Seventeen flats are owned by their occupants on 250-year leases; eight are for social renters on assured tenancies.

Securing CLH in perpetuity

Whatever the tenure or type of site it will be important that the homes remain available to members of the 'community' in perpetuity; the exception being any market housing built to provide cross subsidy for the affordable homes.

It is usual for this perpetuity to be enshrined in a Section 106 Agreement. A fuller discussion of the use of this mechanism and examples can be found in [here](#).

Local Plan policies where CLH is a distinct form of development

Given that many existing local plans precede the interest in CLH, it is perhaps not surprising that the research for this guide only found two specific policies for Community Led Development.

Test Valley Local Plan

To date this policy has resulted in two schemes that between them provide 67 dwellings, of which 26 are affordable homes and community benefits such as sports facilities and expansion of a doctor's surgery.

The driver for this policy was to provide a positive plan-led framework for considering community led development that would meet: identified needs, including market and affordable housing; and support rural communities through provision of other benefits. It is part of a suite of policies and support including rural exception sites, Parish Plans, Neighbourhood Plans, Community Right to Build Orders.

The policy was discussed in detail at the Local Plan Examination. It was supported by the Inspector who recognised its resonance with the Localism Act 2011, regardless of whether or not a Neighbourhood Plan was in place. However, to avoid confusion, a modification was required, and subsequently incorporated, that the policy requires demonstration that the community supports the proposal.



Community Led Development scheme - The Landings Over Wallop, Hampshire - VIVID

Test Valley Local Plan - adopted 2016 Policy COM9: Community Led Development

Community led development will be permitted if:

- a) the proposal is supported by evidence that there is a need for the development to maintain or enhance the sustainability of the settlement through the delivery of community benefit; and
- b) it is demonstrated that the community has been involved in the preparation of the proposal; and
- c) it is demonstrated that the community supports the proposal; and
- d) the proposal, if for residential development, helps meet the affordable housing need of the parish in accordance with the thresholds contained within policy COM7 and local evidence and restrictions contained within policy COM8.

A number of learning points have emerged from the experience of implementing policy:

- These schemes are not straightforward and in consequence it can take a long time from an initial idea to planning permission being granted.
- There needs to be ongoing communication and involvement of planners, housing officers etc. throughout the process and wide engagement and consultation with the community from the outset and then throughout the process. Parish councils can play a key leadership role.
- The evidence requirements to justify the development need to include: a housing assessment to justify the number/size/type/tenure and any other elements of development; and evidence of community involvement and support. Importantly the LPA needs to take a view of how much support is necessary to justify the proposal.
- It is important to assess a choice of potential sites and justify the site selected.
- Given the experience of such clauses used elsewhere for conventional delivery it is important to set out what evidence of community support will be needed.

East Cambridgeshire District Council Local Plan 2015

This policy is more detailed in its requirements and, through its SPD, it provides clarity on what evidence is expected, including that needed to demonstrate it is a community led scheme and has the community's support.

To date this policy has delivered 113 market and 60 affordable dwellings with a further 5 schemes in the pipeline. A full description of the East Cambridgeshire approach and the learning points that have emerged can be found in the [case studies](#).

East Cambridgeshire Local Plan 2015 Policy GROWTH 6: Community-led development

The District Council is generally supportive of community-led development. This may include schemes involving affordable housing, small business units, renewable energy generation and other appropriate uses.

The non-housing elements of schemes will be assessed against other relevant Local Plan policies. However, the District Council will also expect schemes to broadly accord with criteria 5 and 6 below.

The affordable housing elements may be permitted outside development envelopes as an exception to the normal policies of control where:

1. The site is well related to a settlement, which offers a range of services and facilities, and there is good accessibility by foot/cycle to those facilities.
2. No significant harm would be caused to the character or setting of the settlement and the surrounding countryside.
3. The scale of the scheme is appropriate to

the location and the level of identified local affordable housing need.

4. The scheme incorporates a range of dwelling sizes, types and tenures appropriate to identified local need.
5. The District Council is satisfied that (i) the scheme was initiated by, and is being led by, a legitimate local community group such as a Parish Council or Community Land Trust and (ii) the scheme has general community support, with evidence of meaningful public engagement.
6. It can be demonstrated that the scheme will be well managed and financially viable over the long-term and that any benefits provided by the scheme can be retained by the local community in perpetuity; and
7. The scheme accords with all other policies of the Local Plan.

An element of open market housing on the site will only be acceptable where:
 i It is demonstrated through a financial appraisal that this is essential to enable the delivery of affordable housing or other community benefits on-site; and
 ii The community benefits of the scheme (such as the level of affordable housing or open space) are significantly greater than would be delivered on an equivalent open market site.

Five factors underpin this policy.

This policy was driven by councillors who believed that community led development was more likely to be successful in delivering affordable housing than the existing policy approach.

Rural exception sites and allocated sites are considered appropriate for Community Led Development. In some cases the LPA has used the policy to invite communities to identify sites that have subsequently been developed as CLH, often providing other community benefits.

The policy is accompanied by a very detailed SPD that sets out the information requirements that a group will have to submit with their planning application with advice on how these can be achieved and the nature of the evidence that is required to show they have been met. The SPD can be found [here](#).

Each scheme is subject to a S106 Agreement that includes very specific local connection criteria for occupants of the homes.

The implementation of the policy involves very close working with the Council's housing enabler and officers from East Cambridgeshire CLT, which as a CLH Hub provides technical support to communities who choose to pursue a CLH scheme.

CLH and the Local Plan evidence base

Strategic Housing Land Availability Assessment

CLH organisations will look to similar sources of land as any other development, but it is likely that they will be particularly interested in smaller development sites, including those in smaller communities or neighbourhoods where it is unlikely that strategic housing sites will be allocated. Identifying and assessing such sites takes time and is often cited as the reason for not taking a more plan-led approach to rural development. However, as Bath and North East Somerset District Council has shown it is possible to take a proactive approach through a formal process by which communities identify suitable sites at the plan making stage.

Bath and North East Somerset District Council commissioned Place Studios to assist them with their Development Plan Document that contains site allocations and Development Management Policies. The consultants devised and worked with communities to use a Site Assessment Proforma (similar to that used for the Strategic Housing Land Availability Assessment (SHLAA) and a Character Assessment Proforma. Forty-three of the forty-eight parishes in the District took part and their engagement informs the site allocations and policies in the [B&NES Place Making Plan](#) (Rural Areas) adopted in 2017. More details on the methodology can be found [here](#).

Building CLH into the Local Plan Economic Viability Assessment

The revised NPPG states that policy requirements should be informed by a proportionate assessment of viability. Equally, where developments that comply with the policies in an up to date Local Plan planning applications should be assumed to be viable. As Table One shows there are particular characteristics of CLH that mean it can be helpful to include some testing of this form of development as part of the Viability Assessment for the Local Plan. This may be through including it as a distinct typology or some sensitivity testing of the generic site typologies.



[Keswick Community Land Trust](#) Site Visit to The Hopes

Table One - Distinctive Viability characteristics of a CLH scheme

ADDITIONAL COSTS OF CLH SCHEMES	REDUCED INCOME POTENTIAL
The loan costs may be higher, particularly for newly formed CLH organisations where there is no asset base against which to raise the loan.	Schemes will often have a higher proportion of affordable rented housing, including social rent. The affordable sale housing may have selling prices set in relation to local incomes.
Design standards may be higher, particularly if the community is seeking to reduce environmental footprint (equally, requiring too stringent design requirements can make a CLH scheme unviable).	Some of the development area may not be income generating. For example, a co-housing scheme may include communal meeting space.
There may be additional professional fees involved because of the need for advice on setting up the CLH organisation and business planning.	Some of the potential development area will be given over to other benefits such as environmental gains, such as open space and allotments

CLH financial viability assessment toolkits are available such as those published by the NCLTN and Proval which can be found [here](#) and [here](#).

RIGHT: [Lancaster co-housing](#)

BOTTOM RIGHT: Fishponds Road - self finish scheme
[Bristol CLT](#)



Development Management Practice



Youlgreave Community Land Trust Peak District
National Park - Peak District Rural Housing Association

Over the last five years the number of CLH schemes being built has increased significantly. This is in no small part due to the time and skill that Development Management officers have applied to working with communities.

This section provides guidance for Development Management officers and answers the following questions:

- ➔ What are the key principles that should be embedded into Development Management practice for CLH schemes?
- ➔ How do I know this is a genuine CLH organisation?
- ➔ At what point should I engage?
- ➔ Who can/should assist me when I am looking at a CLH scheme?
- ➔ How can I be sure this is a deliverable and financially viable scheme?
- ➔ How do I handle local lettings arrangements that will be required of CLH schemes?
- ➔ Who will manage the homes in the long term?

Key principles of Development Management practice for CLH schemes

As with any development the process of Development Management for CLH schemes requires positive engagement and willingness to be proactive in advising the scheme proposer. However, from the outset it is essential to recognise that CLH is different from conventional residential development in form, requirements and process. There is a growing body of experience in providing Development Management advice and from it seven key learning points have emerged:

- 1. Early engagement with the CLH organisation is essential.** This will require time commitment from Development Management officers, but it will pay dividends when the scheme reaches consideration at planning application stage. Careful, well-informed advice means that the CLH organisation is able to engage the community and explain all elements of its design. The constructive dialogue this engenders between them and the community and the planning department significantly reduces objections and delaying tactics when the formal planning application is submitted.
- 2. Take time to understand what it is the community wants to achieve through the scheme.** This will help you and them find solutions to problems that may emerge and still ensure the scheme conforms to the principles of policy and is deliverable.
- 3. Advice and information requests have to be clear and laid out at the start of the process - no late surprises.** CLH organisations are run by volunteers who do not always have relevant skills or time that a conventional developer has to hand. Neither do they have the same resources as a conventional developer for pre-application work. Taking this step will enhance the confidence and ability of the CLH organisation to provide what you need and maintain community support.
- 4. Be prepared to be the broker and in some cases be the 'bad cop'.** A CLH group has to be realistic and deliver a scheme. Timely advice is essential and being able to explain to the community the reasons why the scheme has to be designed in a particular way is key to keeping their support. Sometimes this is better coming from an outside expert.
- 5. Be pragmatic.** CLH organisations operate under a number of constraints that affect their room for manoeuvre:
 - The Memorandum and Articles of their legal incorporation will determine what their schemes can provide and to whom the homes can be let/sold.
 - CLH schemes are often one-off developments which means the funding package may be very different and more costly. Asking for too much in terms of aesthetic design can kill a scheme. It is possible to find design solutions that meet the principles of design policies without introducing unsustainable costs.
 - As a CLH scheme, it may be providing other community benefits, such as open space, allotments, workspace, community rooms or buildings. These elements, together with the housing, are what have secured community support for the scheme. It may be that a scheme that offers a lower affordable housing contribution than policy requires means these benefits can be provided.
- 6. Be ready to hold a partner to account.** Sometimes a CLH group will work in partnership with a housing association or private developer. This does not negate the need for the scheme to meet the criteria that define a CLH scheme. Even if it is the developer submitting the planning application, they are answerable to the community and you should ensure that Development Management (DM) discussions involve the CLH organisation.
- 7. Don't think you have to carry all the work.** The pre-application process is often more efficient and effective when shared with local authority colleagues, particularly at some stages with policy planners, and throughout the process the local authority housing enabling officer. Some local authorities have even used the Community Housing Fund to employ a CLH enabler.

There is also external assistance available. In a number of areas there are now regional CLH Hubs that provide a range of technical support for CLH groups. Establishing a relationship with their advisers and involving them in discussions with the CLH organisation can reduce your time input. They can help the community articulate their position, explain to them that of the LPA; and help them provide you with accurate information and paperwork. More information on sources of support can be found [here](#).

How do I know this is a genuine CLH organisation?

CLH organisations will appear in different forms and legal entities, but in common they will be expected to meet the three criteria that government has adopted for its Community Housing Fund. (Click [here](#) to find out more about the definition of Community Led Housing).

In its [Community Development SPD](#), East Cambridgeshire District Council has set out a number of tests that groups have to meet for their proposals to be considered Community Led Development. For each one the SPD provides the steps the community can take to meet them and the evidence they will need to submit to demonstrate they have been achieved.

Other local authorities have also devised checklists, to determine eligibility for the Community Housing Fund, which could assist DM officers. One example is that provided by by Cheshire West and Chester Council.

Drawing on these sources and the CHF eligibility criteria, Table Two provides a checklist that DM officers could use to assure themselves that a proposal is being promoted by a genuine CLH organisation.

TOP LEFT: Community consultation mapping and worksheets - [Brighton and Hove CLT](#) and [Studio Sevens Architects](#)

TOP RIGHT: Community consultation Peacehaven [Sussex Community Housing Hub](#)

BOTTOM LEFT: [Cannock Mill Cohousing scheme](#) Colchester

BOTTOM RIGHT: [Keswick Community Housing Trust's](#) development The Hopes is opened. Photo courtesy of the Keswick Reminder



Table Two: Checklist to verify that a proposed scheme is CLH

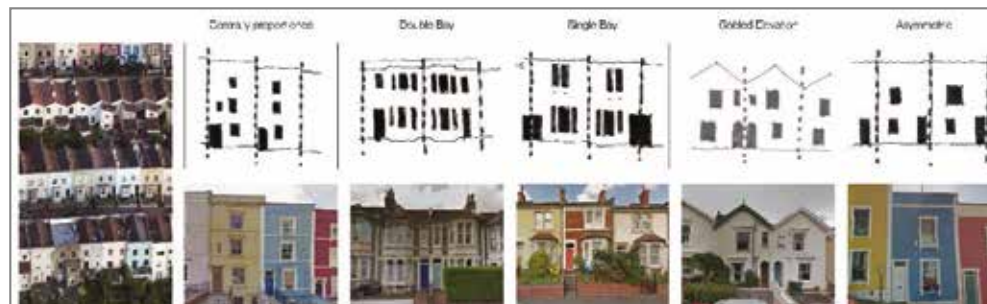
CHF CRITERIA	TESTS CLH SCHEMES SHOULD MEET	EVIDENCE THAT SHOWS THEY HAVE BEEN MET
Meaningful community engagement and consent occurs throughout the development process. The community does not necessarily have to initiate and manage the process, or build the homes themselves, though some will	<p>It is led by the community.</p> <p>The community has been fully engaged throughout the pre-development process.</p>	<p>The community has been given the opportunity to consider all the options for meeting its need and has chosen to go down the CLH route.</p> <p>Letters of support.</p> <p>Evidence of a range of community consultation methods have been used to seek the views of all sectors of the community so they can shape the proposal.</p> <p>How the views of the community have been taken into account in the design of the scheme and the reasons why some views have not been accommodated.</p> <p>A communications strategy demonstrating that all sectors of the community have been informed about the project, its progress and opportunities to engage. Evidence of community engagement that has supported the preparation of a Neighbourhood Plan that includes policies to meet the community's housing needs.</p>
	Where the CLH group is working in partnership with a RP/developer, it is fully involved in decisions that affect the development and on-going management of the homes.	There is a partnership or collaboration agreement between the CLH organisation and the RP/developer setting out their respective roles and terms of their engagement.

CHF CRITERIA	TESTS CLH SCHEMES SHOULD MEET	EVIDENCE THAT SHOWS THEY HAVE BEEN MET
The local community group or organisation owns, manages or stewards the homes and in a manner of their choosing. This may be done through a mutually supported arrangement with a Registered Provider that owns the freehold or leasehold for the property.	It has a legal and democratic structure.	The group is or is taking steps to become a legal entity.
	The legal entity allows the CLH group to take ownership or stewardship of the homes.	The group is or is taking steps to become a legal entity on a basis that will provide for this.
	There is a transparent and fair process for the management of the properties that the CLH organisation has shaped.	The group has or is taking steps to have an agreed allocations policy and published procedure for the allocation of the homes.
The benefits to the local area and/or specified community must be clearly defined and legally protected in perpetuity.	<p>It is a not for profit organisation - any surpluses made are used to further the community's interest.</p> <p>The community being served by the development is clearly defined.</p> <p>Arrangements are in place or planned to secure the homes in perpetuity.</p>	<p>The CLH organisation's Memorandum and Articles will or have clearly defined the community that is to benefit from the development and requirement that the assets are retained in perpetuity for the benefit of the community.</p> <p>The CLH is able to show how it will secure the benefits in perpetuity. For example, use of a covenant with the Deed of Sale, or a S106 Agreement.</p>

When and how should I engage and be sure a scheme is deliverable and financially viable?

This is a two-way process requiring dialogue between the community group and the Development Management officer. The LPA will need to give the community a very early view on whether a site is appropriate in planning terms. Equally, they will need to set out clearly what evidence will be required from the community to accompany the planning application. It is likely that some of the discussions will be iterative as both parties find a pragmatic route that will deliver the CLH benefits and be policy compliant.

A number of local authorities and CLH schemes have adopted action plans that set out the points of engagement and a checklist of what needs to be in place for a scheme to progress to planning application and ultimately development. Drawing on the experience of a number of LPAs the [Checklist found here](#) notes when DM planners should be involved, who else should play a part and the evidence that demonstrates that part of the pre-development process leading to a deliverable scheme has been achieved.



Bristol CLT - Proposals for [Shaldon Road](#), Lockleaze architects [architype](#)

Checklist for involvement of planning officers in the pre-development stages of a Community Led Scheme

	OUTCOME OF STEP	ACTION BY PLANNING OFFICERS	ACTION BY OTHERS TO SUPPORT ACHIEVEMENT OF OBJECTIVE	EVIDENCE THAT OUTCOME HAS BEEN ACHIEVED
'FORMING'	Community support in place to explore using CLH to meet their housing needs.	Attendance at community/NP/Parish council events to explain planning policy context - what would and would not be possible.	CLH technical adviser/RHE/LA CLH officer take community through the options. Fledgling CLH group canvasses support amongst the community.	Written confirmation that: options offered and community support principle of CLH development; and a Steering Group is in place. Scheme has 'in principle' support of the wider community.
	CLH group gains legal incorporation.		CLH technical adviser/LA CLH officer/CLH steering group CLH group take advice on incorporation and choose entity, Commission legal expertise Check policies are robust Register legal entity.	Registration documentation.
	CLH group decide on preferred delivery model e.g. stand-alone or in partnership with RP/developer.		CLH group with technical advice decides taking account of their skills, expertise and time availability.	Feasibility Study/Business Plan available to demonstrate that the scheme is deliverable and arrangements are known for long term management of the assets.
	Business Plan/Feasibility study.		CLH organisation puts together Business Plan/feasibility study supported by CLH technical adviser. Identifies and applies for revenue funding for support and pre-development funding. Identifies and begins process of securing capital funding.	Feasibility Study/Business Plan available to demonstrate that the scheme is deliverable and arrangements are known for long-term management of the assets.

	OUTCOME OF STEP	ACTION BY PLANNING OFFICERS	ACTION BY OTHERS TO SUPPORT ACHIEVEMENT OF OBJECTIVE	EVIDENCE THAT OUTCOME HAS BEEN ACHIEVED
HOUSING NEEDS ASSESSMENT (HNA)/ HOUSING NEEDS SURVEYS (HNS)	Type, tenure and size mix of the scheme is determined.	<p>DM officer offers advice on what evidence required. LA housing enabling officer could do this.</p> <p>A HNA will provide more context on the housing market of the community, a HNS is likely to be more concerned with identifying individuals with a housing need.</p>	CLH undertakes or commissions housing needs assessment or housing needs survey for scheme*.	
SITE IDENTIFICATION	Deliverable site identified.	<p>DM officer engages with community on site identification by one or more of the following steps:</p> <ul style="list-style-type: none"> • Attending a community 'walk about' • Providing criteria that would define a suitable site • Providing advice/comments on potential sites identified by community directly or through LA housing enabler • Searching the SHLAA / Brownfield Register HRA or LA land portfolio for possible sites. <p>Provides to CLH group:</p> <ul style="list-style-type: none"> • list of technical information requirements that demonstrate site is available and deliverable. • Provides CLH organisation comments on proposed site(s) - ideally face-to-face discussion, but could be through LA housing enabler/CLH officer relaying them to the community. 	<p>CLH group, with CLH technical support/ LA housing enabling officer identifies possible site(s).</p> <p>CLH submits site (shortlist of sites) to DM officer with as much technical information as possible.</p> <p>CLH receives feedback and decides whether /which site to proceed with.</p> <p>Begins negotiations with landowner and assembling other required technical information.</p>	<p>Ownership of title.</p> <p>Completed check list of site characteristics/ development constraints/availability of services etc.</p>

	OUTCOME OF STEP	ACTION BY PLANNING OFFICERS	ACTION BY OTHERS TO SUPPORT ACHIEVEMENT OF OBJECTIVE	EVIDENCE THAT OUTCOME HAS BEEN ACHIEVED
INITIAL DESIGN	Detailed scheme proposal for consultation with the community	<p>DM officer (with input from policy officer) engages with CLH organisation:</p> <ol style="list-style-type: none"> 1. to discuss how they can achieve their scheme within: <ul style="list-style-type: none"> • Policy parameters • Design parameters recognising the how financial limitations of a CLH scheme • Information requirements for planning application. 2. Discussion on draft proposal with benefit of initial viability assessment to consultation. Finding solutions that will deliver a well-designed viable scheme for the CLH organisation. 3. Initial discussion on local lettings arrangements and Heads of Terms of S106 (with input from housing enabling officer and/or CLH technical adviser) 	<p>CLH organisation:</p> <ol style="list-style-type: none"> 1. Discuss with DM officers what they want to achieve and understand the policy parameters that need to be taken into account. 2. Commission the surveys and technical support needed to design scheme and provide required information for DM - this will include architects and testing financial viability of the scheme. 3. Discuss initial design with DM officer in the context of financial viability. 	Architect commissioned and programme of community engagement events in place and resourced.
VIABILITY ASSESSMENT	Financially Viable scheme	<p>DM officer to advise on key components of viability assessment and feasibility study if the scheme offers other community benefits.</p> <p>Bespoke CLH financial viability assessment toolkits are available such as those published by NCLTN and Proval which can be found here and here</p>	<p>CLH organisation undertakes or commissions viability assessment, taking into account initial DM advice.</p> <p>The CLH organisation undertakes/ commissions financial viability assessment.</p>	Initial viability assessment available showing financial assumptions and likely funding availability.

	OUTCOME OF STEP	ACTION BY PLANNING OFFICERS	ACTION BY OTHERS TO SUPPORT ACHIEVEMENT OF OBJECTIVE	EVIDENCE THAT OUTCOME HAS BEEN ACHIEVED
CONSULTATION /ENGAGEMENT WITH WIDER COMMUNITY ON SCHEME PROPOSAL	Scheme design that has community support agreed.	<p>DM officer could advise on engagement techniques.</p> <p>Meeting with CLH group post wider community engagement and advises on how comments could be addressed through scheme design and reasons why others cannot be accommodated.</p>	<p>CLH organisation arranges and records comments/ideas from engagement of wider community in the design.</p> <p>Engages with DM officer to see how comments can be incorporated and understand why others cannot be accommodated. Feeds this back to the community.</p> <p>Finalises scheme design with architect.</p> <p>Undertakes/commissions final financial viability assessment.</p>	
FINANCE	Finance package confirmed.	DM may be involved if CLH organisation looking for S106 commuted sums to help pay for development.	<p>CLH organisation complete negotiations and bids to funders.</p> <p>This may include capital funding or S106 funds from local authority.</p>	Formal approvals for loan and capital grant funding - this may be in principle as funding may be contingent on gaining planning permission.

	OUTCOME OF STEP	ACTION BY PLANNING OFFICERS	ACTION BY OTHERS TO SUPPORT ACHIEVEMENT OF OBJECTIVE	EVIDENCE THAT OUTCOME HAS BEEN ACHIEVED
LOCAL LETTINGS AND S106 AGREED	<p>Local Lettings arrangements agreed.</p> <p>Heads of terms of S106 agreed.</p>	<p>DM officer with policy officer discuss with CLH organisation arrangements for securing community needs occupancy and perpetuity arrangements. This needs to be done with LA housing enabling officer.</p> <p>Where the local authority housing allocation scheme references CLH developments or other local community connection criteria; or there is an agreed Local Lettings Plan these can provide the structure for the S106 agreement.</p> <p>DM officer discuss with CLH organisation other Heads of Terms of S106 with CLH organisation.</p> <p>LPA draft S106.</p>	<p>CLH organisation discuss with LPA and local housing enabler arrangements for allocating the homes.</p> <p>CLH organisation decide how allocations and nominations will be made - including in the long term, with advice from CLH technical adviser.</p> <p>CLH decide how other community benefits offered through the scheme will be funded and managed in the long term.</p> <p>CLH discuss and agree draft S106.</p>	
PLANNING APPLICATION SUBMITTED	<p>Planning permission</p>	<p>DM consults with LA housing enabler.</p> <p>Scheme enters formal planning application procedure</p>	<p>CLH organisation or organisation developing on their behalf submits the planning application</p>	

*For rural schemes the Rural Housing Enabler Network has produced guidelines on how to undertake a robust local housing needs survey that can be found [here](#).

Financial Viability

Establishing a common understanding between the CLH organisation and planning department of the financial viability of a proposed is critical. It ensures that the Development Management officer is able to offer advice and suggestions, particularly around tenure and aesthetic design, that are pragmatic and will not result in the scheme becoming unviable. For the community it can inject some realism into their early design ideas and give them the information they need to be able to communicate to the wider community what can, and equally what cannot, be incorporated into the scheme design. Often this will involve some trade-offs between costs and income, with a willingness to find pragmatic solutions by both the local authority and the CLH group.

The distinguishing financial characteristic of most CLH schemes is that the financing options for the build will be more constrained, changing the conventional 'base-line' values. These will include:

- Higher interest costs on the loan because usually the CLH scheme does not have an asset to offer as security to a lender
- The total build costs, including infrastructure, will be higher because schemes will often be small with few opportunities to achieve economies of scale
- The affordable housing contribution may be lower than policy requirements because the scheme is providing other community benefits
- For the same reason the net development area may be smaller than expected
- The income from the affordable housing element may be lower because the scheme will be driven by the nature of the housing need of the community it serves. For example, there may be a higher percentage of rented homes.

CLH financial viability assessment toolkits are available

such as those published by the NCLTN and Proval which can be viewed [here](#) and [here](#).

Scheme Design

The engagement of the wider community in the pre-development stages and the fact that CLH will be owned and run by the community means that design standards are likely to be high. It is also true that many CLH schemes have pushed at the boundaries, particularly when their aims include improving affordability and reducing carbon footprint. They may also look to use alternative methods of construction to reduce costs and encourage a wider range of people to take up CLH opportunities.

These laudable outputs require that DM officers listen to what the community wants to achieve and are ready to be flexible when applying design codes and policies. For larger one off developments that involve Self Build homes they may even produce a scheme specific design code.



York City Council provided a [Design Code](#) for the self build properties in its Lowfield Green development. It aims to strike a balance that brings coherence to the scheme as a whole but room for innovative design and some flexibility on space standards without compromising quality. The Guide provides maximum measures for siting on the self-build plots and building heights. However, it states these are not targets and the Guide encourages smaller designs and designs of varying shapes to be developed. In addition it sets broad design parameters and car parking standards and includes a requirement that at a minimum all dwellings must provide two bedrooms.

With some updating from the Council's development staff, it was incorporated into the outline planning application as the Design and Access Statement for the whole site. The Council is now considering whether this approach could be used for future CLH developments.

Development Management officers can also play an important role in bringing some realism to a community's ambition in terms of the design of their homes. Sometimes these may not be financially viable or unsuitable given the nature and location of the site. Drawing on their knowledge or colleagues with design expertise, planners can offer alternatives that mean the community can meet its objectives, but remain within budget.

Community Design consultation
[Sussex Community Housing Hub](#)

How do I handle local lettings arrangements that will be required of CLH schemes?

Every CLH group will be a legal entity and be required to fulfil the Memorandum and Articles of their legal incorporation. These will set out the purpose of the organisation and will specify: the types of household that will be housed; the community it serves, (whether it is defined by geographic location and/or its intent), and often the tenure of housing to be provided.

Whether the homes are provided as part of a market led development or an exception site and whatever the tenure, the CLH organisation will have to meet its legal obligations, including who lives in the homes at first and subsequent occupation. Including these in a Section 106 agreement provides the principal mechanism for this to be achieved. It will provide re-assurance to the CLH group, the landowner providing the site, the wider community supporting the scheme, and the planning authority granting planning permission.

Affordable housing - Local Lettings Plans and Section 106 Agreements

Affordable housing provided through a CLH organisation may require a bespoke local lettings agreement that will need to be incorporated into the Section 106 agreement. They may have different qualifying criteria in terms of housing need than the Council's Allocation Scheme - implemented through its Choice Based Lettings system. In some cases they will also have a different 'local connection' qualification to that used for conventional rural exception sites.

Common practice is for the bespoke local lettings agreement to be appended to the S106. For example, the S106 for [Broadhempston CLT](#) in Devon. The key elements that demonstrate tailoring of the S106 Scheme to a CLT scheme are set out in Table 3.



Roddam Deane [Glendale Gateway Trust](#)

Table Three: Elements that tailor the Broadhempston S106 Agreement for its CLH Scheme

S106 AGREEMENT'S DEFINITION OF TERMS	Affordable housing	Allows for affordable housing to be provided by an RP or an organisation that is approved by the Council or the owner in the event that the owner decides to be the provider of affordable housing
	Community Land Trust	Means the Developer or any other community land trust, or Affordable Housing provider nominated by the Council.
	Development	The Development of the Site for six new Community Land Trust self-build ecological dwellings with associated parking and workspace as set out in the application.
	Qualifying Person	<p>A person who meets all of the following criteria:</p> <ul style="list-style-type: none"> • that person's household income and capital are insufficient to allow that person reasonably to afford to acquire a dwelling within Broadhempston or neighbouring parishes sufficient for their needs • The person's household income and capital are sufficient to allow them to reasonably afford to rent or acquire a Dwelling on the Development for their needs from the Owner on an assured tenancy or a Shared Ownership lease basis • That the size and nature of that person's household is or will be appropriate to the size of the Dwelling the occupy; • Together with members of that person's household living with him/or her or as a single household.
	Qualifying Person	A qualifying person who satisfies the requirements of paragraph 3 on the Schedule to this Deed.

S106'S: SCHEDULE 3	Qualifying criteria	Requires that the dwellings are allocated to a person considered by the Council to be in need of such accommodation and is unable to find a suitable home in the locality and who: Has been ordinarily resident in Broadhempston for the last two years, or for a continuous period of 5 years in the past Have or have had a close relative in Broadhempston parish i.e. guardian, mother, father, brother, sister, son or daughter who has/had been ordinarily resident there for at least 5 years.
	Cascade	If it has not been possible to allocate the homes to someone with a local connection to Broadhempston the dwellings are offered to people with a housing need in the surrounding parishes and if there is still no eligible person the cascade goes District wide.
	Allocation Policy	Prior to the occupation of any Dwelling the Council and the Owner shall agree an allocations policy for allocation (in accordance with the Deed). The owner shall not allocate any Dwelling except in accordance with the allocations policy and not alter it without consent of the Council who for their part should not unreasonably withhold or delay consent.

West Dorset and Weymouth and Portland councils

Have produced a common S106 template that provides the flexibility sought by CLH schemes. A Schedule to the agreement includes specific provision of affordable housing provided by a CLT.

“Where the Affordable Housing is to be provided with the involvement of a Community Land Trust or Housing Association the Owner shall consult with the Community Land Trust or Housing Association when preparing the Affordable Housing Scheme and endeavour where reasonable to incorporate any additional requirements of the Community Land Trust or Housing Association including any reasonable preferences of the Community Land Trust or Housing Association to impose a scheme of prioritisation for the allocation of the Affordable Housing to Local Needs Persons.”

This is further supported by making the Dorset Home Choice Common Allocations Policy sensitive to CLH development. It accepts applicants with a local connection where there is a Community Land Trust to be placed in the bronze band of the Choice Based Lettings process. This means the needs are registered and the resident has the opportunity to ‘bid’ and be nominated for one of the properties.

Community Land Trust

3.8.11 If an applicant has a local connection (as defined in section 2.7 above) to a parish or in the case of Weymouth and Portland Borough Council an area where a Community Land Trust is in operation and have no other housing need they will go into bronze band for Community Land Trust.

Owner occupied CLH homes - controlling occupancy to members of the community

A CLH scheme may also provide owner occupied housing as an on-going tenure within a scheme. This is particularly the case for Cohousing and Community Led Self and Custom Build Housing. If these are part of a community led development it would be expected that the S106 will include qualifying criteria that reflect the definition of 'community' set out in the organisation's Memorandum and Articles.

Where the market housing is being used as cross-subsidy for the affordable housing there will be no need for qualifying criteria for occupancy. Indeed this may be best avoided as their absence will result in a higher market price and therefore greater funding for cross-subsidy.

Mortgagee in Possession clauses

Whatever the tenure it is important that the CLH organisation and the eventual occupiers of affordable sale housing are able to access mortgage lending. This requires a careful balance to be drawn. Community organisations need to be confident that the homes will be occupied in perpetuity from members of their 'community'. Lenders require assurance that they will be able to recover any bad debt. These requirements can be met by building in a geographic cascade that widens the area of search for occupiers that meet the occupation eligibility criteria. The cascade should also include appropriate timescales for movement through the cascade so homes are not left void for an extensive period of time. It also requires the inclusion of a mortgagee in possession clause that allows the homes to be sold onto the open market as a last resort. This clause can help reduce lenders concerns about risks linked to a limited 'market' and the greater risk this poses for financial loss if they have to proceed with re-possession.



Brambleside - St Teath [Cornwall CLT](#)

Who will manage the homes in the long term?

The CLH organisation will always maintain ownership or long-term stewardship of the homes; however, there are different ways in which the homes will be managed. These depend on the tenure of the homes and the way in which the scheme is developed and funded. The most common arrangements are set out in Table 4.

Table Four: Management arrangements for different types of CLH organisation

	CLH ORGANISATION (NON REGISTERED PROVIDER)	CLH ORGANISATION (REGISTERED PROVIDER)	CONTRACTED OUT TO EXTERNAL REGISTERED PROVIDER
CLT - self financing	✓	✓	✓
CLT using Homes England capital grant		✓	✓
CLT working in partnership with RP			✓
Cohousing group - self financing			✓
Cohousing group in receipt of Homes England grant providing affordable rented homes	✓		✓
Co-housing group working in partnership with a RP		✓	✓
CLH Custom and Self Build	✓		✓

Having a fair and transparent allocations process is essential. For many CLH groups you can be sure these are in place because they will be Registered Providers or working in formal partnership with a Registered Provider (RP). However, others, particularly very small CLH organisations and those who are funding the development themselves, may choose not to become a RP. Often this is driven by the complexity and cost of the registration process. There are a number of approaches that local authorities have taken to ensure that these organisations provide robust and appropriate management and allocation arrangements. More detail on these can be found in the Local Plans section [here](#).

Community Led Housing through neighbourhood plans and community right to build orders



Wilsford and Pinchbeck CLTs
East Midlands Community Led Housing

Wanting to provide affordable housing; having a supply of homes, including homes for sale, that meets the changing needs of the community; and development that is of a scale and design appropriate to the area. These are the drivers that often lead communities to embark on a Neighbourhood Plan. In Community Led Housing (CLH) they find resonance with their objectives and a practical vehicle they can use to achieve their ambitions.

Whilst Neighbourhood Plans should not repeat policies that exist in the Local Plan, they can add detail or expand policy. Where a NP group is devising policy for CLH the same learning points noted in this Guide for [Local Plan policy](#) will be relevant.

There are, however, some specific questions that have arisen as those preparing Neighbourhood Plans have explored how they could support delivery of CLH. This section seeks to answer the following:

- What are the key learning points that emerge from existing practice?
- Can a Neighbourhood Plan allocate land for CLH?
- Can it include CLH as a mechanism for delivery of a mix of housing types and tenures, including affordable homes?
- Can policies explicitly refer to a single CLH organisation as the provider?
- What other mechanisms can a Neighbourhood Plan use to promote CLH?
- Can a Neighbourhood Plan provide a means of ensuring the homes are occupied by members of the Neighbourhood Plan Area?
- Is there value in using a Community Right to Build Order?

Key learning points that emerge from existing practice

- Neighbourhood Plan Examiners comment regularly on, and do not support, NPs that include policies that add nothing to Local Plan policy. A CLH policy should only be included in a NP where it adds to, elaborates or localises a Local Plan policy.
- The ability of Neighbourhood Plans to include policies and site allocations that support CLH are more likely to be effective where support for this form of development is written into the policies of the Local Plan. The absence of a policy in favour of CLH in the Local Plan could mean that the NP would not be regarded as in conformity with the higher level plan. It is not as yet clear in guidance (or from challenges) so this issue should be checked early in the plan preparation period.
- The NPPF's 'protections' for Neighbourhood Plans are subject to stringent tests and requirements for review of Local Plan policies will require that 'made' Neighbourhood Plan policies, including those for CLH, are kept under constant review with formal updates at least every two years.
- Making site allocations can contribute to opening opportunities for CLH delivery. Moreover, this is probably now necessary to ensure the Neighbourhood Plan policies are able to withstand development allowed under the Presumption in Favour of Sustainable Development when the Local Plan is out of date. Four factors should be taken into account when allocating sites where CLH could be provided:
 1. Except with the formal agreement of a landowner, a site cannot be allocated solely for CLH or affordable housing. The key concern is that, once allocated in principle, a site attracts added value that can make it unviable for the delivery of CLH.
 2. Any site allocation should be of a size large enough to trigger an affordable housing contribution that could be delivered by a CLH organisation.
 3. Any allocation should be accompanied by policies for delivery of housing, including affordable housing and Self and Custom Build, which should include CLH as one mechanism for delivery.
 4. Rural exception sites cannot be allocated. If the LPA has decided not to define settlement boundaries for the community, all sites will by default be exception sites. However, it would be helpful for a Neighbourhood Plan to define a formal or informal settlement boundary in order that exceptions can be identified. In both cases the NP could include a rural exception site policy that sets out the type of housing that could be provided and include CLH as one mechanism for delivery.
 5. If the principal objective of a community is to provide housing to meet its needs, or if it is proving difficult to gain enough interest in preparing a Neighbourhood Plan, a more direct and less resource intensive route would be to set up CLH organisation.
- A specific existing or possible CLH organisation cannot be named in policy as the means of delivery. It could however be identified in any implementation plan or action points that accompany the Neighbourhood Plan. Where this is done it is important that such an organisation already exists, although full and formal registration is not necessary.
- The policy and practice that has been identified in the Guide for Local Plan policy is also relevant to Community Led Housing in Neighbourhood Plans.

A very helpful presentation on challenges and opportunities for Neighbourhood Plans to support CLH has been produced by [Place Studio](#).

Can a Neighbourhood Plan allocate land for CLH?

Yes, indeed it is advisable that they do given the changes in the NPPF to the 'protections' for Neighbourhood Plans to withstand unwanted development. This is amplified in the NPPG.

NPPG Paragraph 100 Reference IS 41-100-20190509

Neighbourhood Plans can support the provision of affordable homes for sale that meet the needs of local people by including relevant policies and site allocations. Depending on the content of relevant strategic policies in the local plan or spatial development strategy, neighbourhood plans may be able to vary the types of affordable housing that will be expected or allocate additional sites that will provide affordable housing, where this will better meet the needs of the neighbourhood area.

Three forms of site allocation could be considered.

Allocated sites - are sites that have been selected through a formal process and provide for a mix of housing types and tenures. Although a Neighbourhood Plan can allocate sites, it cannot allocate a site specifically for CLH. This is achieved through other policies in the Neighbourhood Plan, which are explored in the next section.

Rural exception sites are small sites used for affordable housing in perpetuity where sites would not normally be used for housing - a full definition is provided in the [NPPF Annex 2 - Glossary](#).

This means they cannot be allocated. To do so is likely to increase the price expectation of the landowner, which could mean it is not viable to provide affordable or CLH.

However, their purpose and cost lends them perfectly for CLH and where a Neighbourhood Plan covers a rural area it would be helpful to include a rural exception site policy. The details of how this could support CLH are explored in the next section.

100% affordable housing sites and/or CLH sites - this is an option, but it is unlikely to be successful for the same reasons. Once a site is allocated in a Neighbourhood Plan it immediately has some development value. The commensurate rise in the price that a landowner will expect for the site may mean it is financially unviable for CLH. Alternatively, there is a risk that the landowner will hold onto the land in the expectation that it will in the future be allocated just for housing development, with an even higher value.

Importance of the size of allocated site where the aim is to provide affordable housing through CLH

The NPPF states that in general an affordable housing contribution cannot be taken from a scheme of less than 10 dwellings. The exception is for sites in areas designated as 'rural' under Section 157 of the Housing Act 1985. (the local housing authority will know if the Neighbourhood Plan is in such an area). In these locations policy can seek affordable housing from sites of less than 10 dwellings, but not on site, only in the form of an equivalent financial contribution, known as a commuted sum.

There may be a way round this as the Court of Appeal judged that a Local Planning Authority could set its own thresholds in policy if it has the evidence to support such an approach. The legal judgement can be read [here](#). This has not yet been tested since the publication of the revised NPPF.

Given that development sites might through this policy or other affordable housing policies result in a commuted sum being paid, it would be advisable for the Neighbourhood Plan to include a policy on how this will be calculated and how it will be used.

Can a Neighbourhood Plan include CLH as a mechanism for delivery of a mix of housing types and tenures, including affordable homes?

Yes, and indeed is essential if the Neighbourhood Plan group want to support CLH delivery, whether or not it allocates sites. There are three policy topics where this can and has been achieved. The trick is to include it in a number of these policies so that in combination they have the affect of ensuring that the land is sold at a price low enough to makes it financially viable to deliver CLH.

POLICY TOPIC	REASON FOR INCLUSION
As part of a general housing policy where CLH is identified as one of the mechanisms for delivery	It will open the door for CLH delivery on all sites that come forward for development. But on its own it will not be enough to depress site values to a point that makes it financially viable to deliver CLH.
As a specific policy for CLH - possibly as part of a Self and Custom Build policy	Making CLH a requirement of housing developments means that the higher costs and lower income associated with CLH development will be taken into account in the price paid for the site.
As part of an affordable housing policy	CLH can be identified as one of the routes by which affordable housing can be delivered. As above, it will help to bring the land price low enough to make it financially viable to deliver CLH.
As part of a rural exception site policy	If the Neighbourhood Plan includes rural communities, CLH can be identified as a mechanism for delivering a rural exception site scheme. It would be advisable for such boundaries to be formally or informally defined to show that when a rural exception site comes forward it is not, or does not have the potential to become an allocated site. Advice on defining settlement boundaries can be found here .

The following examples of 'made' Neighbourhood Plan policies illustrate how each of these opportunities have been pursued and some of the pitfalls to be avoided.

Lawrence Weston Neighbourhood Plan - 'made' in 2017

This Neighbourhood Plan covers an urban residential area in the north of Bristol City Council area. It allocates three sites for residential development, which are in addition to 10 small sites with planning permission and five redevelopment sites. To date the policies have resulted in a proposal for a 40 dwelling CLH scheme that was submitted for planning permission in Spring 2019.

Policy H1: New Housing Development

The provision of about 333 homes on the vacant or derelict sites shown on Map 3 will be supported, subject to assessment against the following criteria:

- (i) the extent to which the proposal would make efficient use of under-used land (including "brownfield" sites and former PRC housing sites) and would meet local needs as set out in the most recent housing needs assessment by Bristol City Council;
- (ii) whether the proposal would reflect the guidance set out in the Lawrence Weston Design Statement and would integrate well with or improve the character of the existing neighbourhood;
- (iii) whether the proposal would provide a mix of tenures and dwelling types, including custom-build opportunities and family houses with gardens, where this is feasible on any one site; and
- (iv) the extent to which renewable energy technology, energy efficiency and best practice in sound insulation would be incorporated into the development.

Policy H4 Community Self Build

All developments of more than 30 houses shall include an offer of serviced plots for custom build, either on an individual basis or for a duly constituted self-build group to organise a collective self-build construction programme. A minimum of whichever is higher of 5% or 2 of the dwelling plots shall be offered.

Where plots have been made available and marketed appropriately at a reasonable price for a minimum of one year and have not sold, the requirement on the site shall lapse. Alternative negotiated compliance with this policy for several sites in order to provide a larger self-build site will also be considered, as long as it offers a genuine self-build opportunity of equal value to the community, and is well integrated within the surrounding built form and community.



Supporting text includes reference to the duties placed on LPAs to support Self and Custom Build, identifies a specific site as having potential for development as a CLT and provides a definition of what would constitute a community led development.

11.20 The former PRC housing site on Astry Close has been cleared by the council and is now vacant land. An outline agreement from BCC Housing Delivery Department for the site is being sought by the community. Under this proposal the community could be able to develop a community-housing scheme on the site and could own any developments built via the use of a Community Land Trust.

11.21 A community-led development would;

- help to build mixed, balanced and sustainable communities, “comprising a range of ages, household types and incomes [which] may also help achieve wider social policy goals” (Policy BCS18);
- deliver housing based on the needs of local people;
- give the community greater direct responsibility for the development, including the power to select partners to undertake the project;
- promote self-confidence, self-belief and increased commitment and willingness to become involved and take on responsibility in community affairs; and
- increase community knowledge and experience.

Lawrence Weston
Bristol - World Habitat

BENEFITS OF THIS APPROACH

CLH in the form of Self and Custom Build and CLTs are explicitly noted in policy and supporting text.

These together with the policies for affordable housing types and tenure (H2), Building Design and Sustainability (H3), and Local Lettings policy (H5), provide a coherent and robust framework to support CLH delivery.

The recognition that a community self-build ‘scheme’ could extend across more than one site. This would allow a CLH group to achieve some economies of scale where development opportunities are through very small sites.

HOW IT COULD BE STRENGTHENED

The focus on Self Build in the policy wording could be used to preclude other types of CLH such as CLTs or cohousing schemes. The policies could be enhanced by using the generic CLH term.

The fall back in situations where the Self and Custom Build plots are not taken up could include an intermediary tier that offers these plots to housing associations.

Winslow Neighbourhood Plan - 'Made' 2014

This was one of the first Neighbourhood Plans to be 'made' and whilst it is helpfully supportive of CLH it does have some weaknesses that are worth bearing in mind when designing policy for CLH

Policy 4: Affordable Housing

Housing sites of one hectare or more will provide a minimum of 35% of affordable homes, subject to viability, and for these homes to be distributed within the scheme in a way that reflects the scale of the scheme.

The Neighbourhood Plan requires a minimum of 20% of the total number of affordable homes on each housing site to be delivered and controlled by a Winslow Community Land Trust, or equivalent body, for which an appropriate lettings policy will be agreed between the Trust and the District Council.

BENEFITS OF THE POLICY

It does explicitly require a form of CLH to be the provider of a % of the affordable homes.

HOW IT COULD BE STRENGTHENED

Only requiring that CLH is a % of the affordable homes requirements is likely to result in a very small CLH contribution. This may be too small a scale to make a CLH development financially viable. It could be strengthened by:

- retaining the 35% contribution but supporting CLH as one mechanism for delivering these homes; and
- requiring a % of all plots on residential sites of over a hectare are made available for CLH development.

A single named provider should not be noted in policy. To some extent this is avoided by referring to delivery by an 'equivalent' body.

Also worth noting is that at the time the policy was written there was no Winslow CLT. A developer could use this to argue that the policy should not apply.



ASHTON HAYES & HORTON-CUM-PEEL NEIGHBOURHOOD PLAN (2016-2036)

PART 1- Key Policies

MADE JUNE 2017



Ashton Hayes and Horton Cum Peel Neighbourhood Plan - Part One - Made 2017

Policy H1 – Local housing need

Residential development that is proposed in accordance with the Rural Exception Sites policy of Cheshire West and Chester Local Plan (Part One) is supported in the following circumstances.

- Where it clearly meets the properly evidenced eligible need of the plan area at the appropriate time of the need; and
- Where a significant proportion of the market housing permitted by Local Plan Policy SOC2 is appropriate for meeting the evidenced needs of the elderly within the neighbourhood area.

Planning applications for residential development led by the community through a community development organisation (such as a community land trust (CLT)) or in partnership with the applicant will be supported.

BENEFITS OF THE POLICY

The policy does not repeat the Local Plan policy (SOC2), but cites it, which automatically embeds the criteria it contains into the Neighbourhood Plan, and then expands it so it is tailored to the particular needs of Ashton Hayes.

It does explicitly mention and supports delivery by a community development organization, giving CLTs as an example.

However, this wording does not exclude other providers.

HOW THE POLICY COULD BE STRENGTHENED

Ashton Hayes falls within the Green Belt, so the rural exception site policy is the only one available for delivering CLH. In other rural communities it would be appropriate to also embed CLH in other policies in the Neighbourhood Plan.

Lifespan and strength of Neighbourhood Plan policies

Lifetime of policies

The revised NPPF provides guidance on the strength of Neighbourhood Plan policy vis a vis a Local Plan. As well as part of the requirement for Neighbourhood Plans to be in conformity with the Local Plan the NPPF also sets out the point at which a Local Plan policy will have precedence where there is a conflict between the two types of plan.

NPPF paragraph 30

Once a neighbourhood plan has been brought into force, the policies it contains take precedence over existing non-strategic policies in a local plan covering the neighbourhood area, where they are in conflict; unless they are superseded by strategic or non-strategic policies that are adopted subsequently.

It also requires that local plans are reviewed at least every five years. This includes Neighbourhood Plans.

NPPF paragraph 33.

Policies in local plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary. Reviews should be completed no later than five years from the adoption date of a plan, and should take into account changing circumstances affecting the area, or any relevant changes in national policy. Relevant strategic policies will need updating at least once every five years if their applicable local housing need figure has changed significantly; and they are likely to require earlier review if local housing need is expected to change significantly in the near future.

Implications of the Presumption in Favour of Sustainable Development for Neighbourhood Plans

A core principle of the NPPF is the Presumption in Favour of Sustainable Development. This requires approving proposals that are in accord with an up to date Local Plan. It will also apply where: there is no up to date Local Plan; the LPA does not have a 5-year land supply for housing development; and/or the local authority has failed to meet its Housing Delivery Test over the previous three years. The detail of the Principle is set out in paragraph 11 of the NPPF and can be read [here](#).

When the Presumption in Favour of Sustainable Development is triggered, the NPPF provides some limited protections for Neighbourhood Plans from development that conflicts with its policies. These are set out in paragraph 14 of the NPPF.

NPPF Paragraph 14

In situations where the presumption (at paragraph 11d) applies to applications involving the provision of housing, the adverse impact of allowing development that conflicts with the neighbourhood plan is likely to significantly and demonstrably outweigh the benefits, provided all of the following apply:

- a) the neighbourhood plan became part of the development plan two years or less before the date on which the decision is made;
- b) the neighbourhood plan contains policies and allocations to meet its identified housing requirement;
- c) the local planning authority has at least a three year supply of deliverable housing sites (against its five year housing supply requirement, including the appropriate buffer as set out in paragraph 73); and
- d) the local planning authority's housing delivery was at least 45% of that required over the previous three years.

In consequence of the NPPF it would be advisable for Neighbourhood Plans to allocate sites, but not those allocated in the Local Plan. Equally, that their policies that determine the type, tenure and mix of housing be kept under a process of continuing review and re-adoption.

A more detailed analysis of the impact of the NPPF on Neighbourhood Plans can be found in the report produced by the National Association of Local Councils (NALC): [‘Where next for Neighbourhood Plans?’](#)

Can policies explicitly refer to a single CLH organisation as the provider?

There are examples of where some of the very early Neighbourhood Plans refer to a named CLH organisation, commonly the local Community Land Trust. Although some of these have gone through Examination it is unlikely that such specificity would be allowed today. Planning policy can name both the type of housing and the type of organisation that can deliver it, but it cannot require it to be done by a named provider. It is for this reason too that the Neighbourhood Plan should leave the opportunity to develop affordable housing open to a range of providers.



What other routes can a Neighbourhood Plan take to promote CLH?

Implementation Plans

Some Neighbourhood Plans will set out activities to implement its policies either within the Plan or as an accompanying action plan. This allows much greater direction of how the CLH could be delivered, but it does not have the same force that comes from explicitly mentioning CLH in policy or supportive text.

[East Bergholt Neighbourhood Plan](#) has included implementation projects for each policy topic area. Its housing section includes policies for: the size and location of housing development, which includes reference to Rural Exception Sites; and the type and tenure and size of dwellings to be provided, which is linked directly to the Affordable Housing Supplementary Planning Document of the local planning authority. Finally there is a specific policy on increasing the choice of housing options for older people. One of the accompanying Projects to deliver these policies is to set up a Community Land Trust.

East Bergholt Neighbourhood Plan 2015 - 2030 - 'Made' in 2016

Project - EB2 Community Land Trust Establish a Community Land Trust as the means of delivering homes for local people and to deliver Affordable Housing, to offset private sector provision, in or near to the village centre, for shared ownership or rentable properties. This will meet the identified needs of East Bergholt and the proportion of the needs of the Hinterland Villages relating to East Bergholt as a Core Village. The intention is to provide housing for younger people and to provide for key workers employed in or providing services for East Bergholt or its Hinterland Villages.

Can a Neighbourhood Plan provide a means of ensuring CLH homes are occupied by members of the Neighbourhood Plan Area?

The Memorandum and Articles of the CLH organisation's legal incorporation documents dictate who will live in a CLH development. These will usually define the 'community' that will be the beneficiaries of its activities. It may be a geographic community, so may accord with the boundaries of a Neighbourhood Plan area. Alternatively, it might be an intentional community, such as where people share a common ethos about living or are a particular age group. Potentially it could also be a combination of the two.

A Neighbourhood Plan policy could require that arrangements are in place to ensure CLH homes provided on allocated market led developments and/or rural exception sites are occupied by people from the defined Neighbourhood Plan area. This would be secure through a S106 Agreement.

However, as noted in the guidance offered on [Development Management allocations/Policy Local Lettings](#) it is important that the policy and any ensuing S106 Agreement are sensitive to both the specific legal obligations of the CLH organisation and have sufficient flexibility to ensure the wording does not blight the ability of residents to raise a mortgage.

Is there value in using a Community Right to Build Order?

The 2011 Localism Act introduced Community Right to Build Orders. Any local organisation, not just a parish or town council or Neighbourhood Forum, can create a Community Right to Build Order. It allows small scale development that provides a benefit to the community to come forward on a specific site with planning permission being granted on the back of the Order being made through a local referendum. Leasehold homes provided through this route are exempted from the Leasehold Enfranchisement Act. More information on Community Right to Buy Orders can be found [here](#).

The Government has provided funding to support their use and the revised NPPF requires that, “Local planning authorities should take a proactive and positive approach to such proposals, working collaboratively with community organisations to resolve any issues before draft orders are submitted for examination.”

The synergy of purpose between Community Right to Build Orders and CLH is significant and you can read about some examples [here](#).

However, to date there have been only a handful of adopted Community Right to Build Orders, reflecting the complexity and cost of the process and that the LPA will still probably place conditions on the scheme. Unless there are compelling reasons to do otherwise, it is quicker, cheaper and significantly less complicated to set up a CLH organisation to deliver a scheme that benefits the community.

Sources of support and advice on Community Led Housing

The success of CLH and its delivery is not solely down to you as planners and neither do you have to embark down this route alone. There is a host of support out you can draw on.

This section highlights where you can access this help, drawing on local and national resources.

Local sources of support

Evidence demonstrates that the most effective support for CLH development is that which is provided locally and on a face-to-face basis. In recent years there has been an increase in its availability, particularly with the Community Housing Fund coming on stream.

It provides resources for communities to access technical support, develop a national network of CLH Hubs, local authorities to develop their own CLH support capacity and an accredited training programme for CLH advisers.

It is also worth remembering the 'in-house' support you can draw on, in particular the pivotal role that can be played by your housing enabling colleagues.

Local sources of support

SOURCE OF SUPPORT	WHAT IT OFFERS PLANNERS
Local Authority Housing Enablers/Development officers/ CLH officers.	<p>Advice on the level and nature of need for a scheme</p> <p>A two-way conduit for communication between the LA and the community.</p> <p>Advice on viability factors.</p> <p>Advice and bidding to secure funding for technical support and capital costs.</p> <p>Advice on local lettings plans</p>
<p>Local CLH Hub or locally available Technical Support</p> <p>A list of technical advisers and Hubs can be accessed here.</p>	<p>Ensuring the CLH group presents a robust and deliverable proposals by supporting the community:</p> <ul style="list-style-type: none"> • explore the CLH option • gain legal incorporation • develop a Business Plan • find a deliverable site • gain finance • designing a scheme • manage a build contract • find a development partner, if required • develop a local lettings plan • manage the completed homes <p>Advice for you on the technical underpinnings of a scheme including:</p> <ul style="list-style-type: none"> • Its Business Plan • The financial viability of a scheme • Tailoring the S106 Agreement and Local Lettings plans <p>A two way conduit for communication between the LA and the community</p> <p>Bringing in other partners/key players to ensure the scheme delivers</p> <p>Access to a national network of support/advice/resources</p>



Wessex CLT CLH Adviser on site with residents of Norton Sub Hamden CLT

SOURCE OF SUPPORT	WHAT IT OFFERS PLANNERS
<p>Rural Housing Enablers and ACRE Network based CLH advisers.</p> <p>A list of RHEs can be accessed here.</p>	<p>Supporting the community:</p> <ul style="list-style-type: none"> • explore the CLH option • evidence the nature and level of housing need • find a deliverable site • engage all parts of the community in the design of the scheme • contribute to the S106 Heads of Terms and local lettings plans <p>Draw in and complement the work of specialist CLH technical advisers</p> <p>A two way conduit for communication between the LA and the community</p>
<p>Neighbourhood Planning advisers working with Neighbourhood Plan Forums.</p>	<p>Supporting the community:</p> <ul style="list-style-type: none"> • explore the CLH option • evidence the nature and level of housing need • identify potential deliverable potential sites • advise on CLH supportive policies and site allocations that are in conformity with the Local Plan. <p>A two way conduit for communication between the LA and the community</p>



Communities CAN CLH Adviser with residents of SCATA Community Land Trust, built by Karbon Homes

National Sources of support and advice

There are now a host of national organisations who can offer support for you and groups interested in developing a CLH scheme.

ORGANISATION	NATURE OF SUPPORT AND ADVICE
<u>Community Led Homes</u>	<p>This is now the 'one stop' shop website for CLH, including CLTs, Cohousing, Co-ops, Community Self Build and Self Help housing.</p> <p>It includes:</p> <ul style="list-style-type: none"> • Explanations of the different forms of CLH • How it is developed • Resources to support groups • Links to technical support • Case studies
<u>National Community Land Trust Network</u>	<p>The membership organisation for CLTs. Provides case studies and information specific to their development.</p>
<u>Confederation of Co-operative Housing</u>	<p>The membership organisation for housing co-ops. Provides case studies and information specific to Co-operative housing development.</p>
<u>UK Cohousing</u>	<p>The membership organisation for co-housing groups. Provides case studies and information specific to cohousing.</p>
<u>National Custom and Self Build Association (NaCSBA)</u>	<p>It provides an explanation of what it is and sources of information and support, including a link to technical support through its Self Build Portal.</p>
<u>Planning Aid</u>	<p>Provides planning advice for CLH organisations. More information on their offer can be found here.</p>
<u>Locality My Community</u>	<p>Locality provides information on a range of Community Rights some of which are relevant to CLH.</p>

Case studies

Involvement of planning officers in a Community Led Housing as part of market development in the high value landscape of Dartmoor National Park



*Bellacouch Meadows [Chagford Community Land Trust](#)
designed by Grainge architects*

Chagford CLT

28 Affordable rented homes, pepper potted through a market development of 93 homes on a site allocated in the Local Plan. Delivered in partnership with developer CG Fry and Aster Housing Association. The CLT owns the freehold of the homes and leases these to Aster who raised the finance, developed the scheme and manages the homes in line with the bespoke lettings plan that is appended to the S106.

The supporting policy

Dartmoor National Park Authority's [Local Plan](#) policies require residential development to provide affordable housing to meet local housing needs. This is accompanied by an [Affordable Housing Supplementary Planning Document](#) (SPD) that states the Authority's support for communities wanting to lead or guide development in their area, specifically mentioning Community Land Trusts as a possible route. They are also recognised as giving communities a stake in housing development that means new development is more positively received. Importantly, the SPD sets out the definition of Local Need, but without giving priority to which of the categories should be given priority. Communities are able to shape these priorities themselves through involvement in the S106, provided it complies with the definition.

The involvement of planning officers in bringing this scheme to construction

The approach DNPA planners took to supporting Chagford CLT demonstrates how they have implemented this approach.

The site was first identified in a Design Statement prepared by the community. Rather than the community preparing a Neighbourhood Plan, the National Park Authority allocated the site in its Local Plan, requiring development to be Masterplan led. The developers of the site funded a comprehensive Inquiry by Design held in a local pub, and facilitated by the Prince's Foundation which informed a Masterplan for the site. This opened the door for community involvement and a few members saw this as an opportunity for a CLT scheme. With the support of the local CLH Hub, Wessex CLT, the community group quickly moved to form a CLT legally incorporated as an Industrial and Mutual Society.

An approach was made to the Authority, which was supportive of CLT involvement on the scheme. Contact was then made with the developers who could see the benefits of continued community engagement and invited them to the table. However, they could not make a commitment until they had seen the figures and understood the expectations of the community.

The DNPA planning policy officer set up a Steering Group for the pre-application discussions. Membership included the developer, DNPA policy officer, the local housing authority, and the CLT. Through their meetings they agreed: the affordable housing offer; the number and mix of homes, informed by a local Housing Needs



Assessment; the heads of terms for the Section 106; the process for allocating the homes and who would take on the other community assets that were being provided, which included a car park, public open space, and an employment unit.

The S106 Agreement includes a Local lettings Plan. This involved the DNPA planning officer working through with the CLT the definition of 'local housing need' and the 'cascade', which allows the homes to be offered to a wider geography if it has not been possible to allocate the home to someone from the immediate community. This required some strong steering by the officer, particularly in pointing out the invidious position of the CLT having to decide who is allocated a home and live in the community where they will meet those who have not been offered one.

Working through this process by the time the scheme came to planning application there were only a handful of objections, something which is very unusual for a residential scheme in Dartmoor National Park, or indeed any scheme of this scale.

Learning Points

Drawing on this experience and a similar process used to support the development of a CLT on a rural exception site a number of learning points emerge:

- Providing CLH housing through allocated sites that are subject to a clear affordable housing policy can meet local housing needs. The policy pegs the land price at a level that makes CLH development viable. The involvement of a CLH organisation can unlock sites that have stalled and significantly reducing local opposition to development.
- Early and quick engagement of planners when a scheme is first mooted and throughout the pre-development process reduces the overall amount of planning officer time spent on CLH schemes. It fosters mutual understanding from the outset resulting in a scheme that is acceptable to the community and planning authority. Establishing this early in the process avoids the extensive time needed to revisit and negotiate the scheme design later down the line. A key benefit of the process was gradually increasing certainty, both for the benefit of the developer, and the community.
- There is considerable value in the initial involvement being a senior policy planner. They will have an understanding of the underpinning ethos of policy and delivery and the seniority to be able to be flexible and authority to make decisions that will not change when they return to the office. As the scheme progresses the input of the Development Manager role increases, but with policy planners re-engaging at the discussion of the S106, reflecting that the Local Plan policies set out eligibility criteria. Sharing the planning input in this way reduces the amount of Development Management officer time required for a scheme.
- Setting up a Steering Group builds a mutual understanding of the respective powers, roles, flexibilities and accountability of the parish council and CLT. In Chagford the Steering Group got them working together and enabled them to see the value each party brought to the table.
- The LPA can play a valuable role in bringing all the partners together and, when necessary, playing a brokering role. This provides enough space for the community to help design a scheme that meets their needs, and give a steer when a proposition is not acceptable and building consensus across all the parties who are involved delivering and managing the homes. Not only does this avoid the risk of a scheme not progressing, it also helps the CLH group explain to the wider community why a decision has been taken.
- Providing early and named assigned support gives the CLH group a 'touch point' with the planning team that fosters timely and constructive engagement with the community. This reduces the risks of significant or late objections to the development, thus avoiding delay and costs to the developer and CLH organisation and reducing the LPA input at planning application stage.
- Working closely with a CLH Hub or the CLH technical adviser for an area means planners can focus on progressing the scheme smoothly through the pre-planning process, confident that it is genuinely community led and the CLH organisation is equipped to make informed decisions resulting in a viable and deliverable scheme.

Cohousing scheme on part of a large development on an allocated site and approved under Local Plan policy in York



YorSpace - proposed Cohousing scheme *

* Building Design Partnership shall have no responsibility for any use made of this document other than for that which it was prepared and issued.

YorSpace

Nineteen Custom Build homes, with community buildings and open space. These will be affordable leasehold sale homes made available in the form of Mutual Home Ownership.

The scheme is part of the much larger Lowfield Green development on an allocated Council owned site. In addition to the YorSpace scheme it will provide 140 dwellings, 6 self-build plots, a care home of up to 80 beds, public services building and over an acre of public open space. The privately developed part of the scheme will include a 40% affordable housing contribution. This is above the local plan target and meant no additional affordable housing contribution was sought from YorSpace.

YorSpace is a Community Benefit Society. It aims to help local people find a way onto the housing ladder by developing low-cost, environmentally friendly housing along cohousing principles. It provides homes for those in housing need, a connection to the city, and a desire to be part of a proactive and close-knit community. More information on YorSpace, including the Mutual Home Ownership model for providing affordable sale housing in perpetuity can be found [here](#).

The supporting policy

Outline planning permission for the scheme was granted in August 2018 (application reference 17/02429/OUTM). It was informed by the [policy for Self and Custom Build](#) in the Submission Draft Local Plan, which began its process through Examination in July 2018. The key elements of this policy include:

- On strategic sites (greater than 5hct) developers will be required to provide at least 5% of plots for sale to self or to small custom house builders.

- These should be made available at a competitive rates which are fairly related to site/plot costs.
- In determining the nature and scale of provision the Council will have regard to viability and site condition.
- A fall back provision for plots to be sold on the open market if they have not been taken up within 12 months
- The supporting text includes community led or where the community organises construction work in its definition of self builders.

The genesis for York City Council's policy was from research commissioned by them into how they could support self build. This branched out into looking at other forms of group housing, including community led development.

Process of valuation for self and custom build plots and use of smaller council owned sites

The adopted process is for the site to be valued by an independent valuer taking into account the higher costs of CLH development, resulting in a depressed land value. Where provision will be of affordable housing the value is depressed further. The Executive decision to support self and custom build, the priority to provide affordable housing and delegated authority to sell land meant the YorSpace development would be viable.

The development management process

The Council provided free informal pre-application advice. It appointed a cross department Project Management Team that included housing officers responsible for delivery and the active and supportive input from a named Development Management officer. They held regular meetings with YorSpace to agree the number and size of the homes and the design.

The intention is to continue this approach for future self and custom build developments. It is enhanced by other measures that the Council has adopted to support its policy for releasing its small sites for Self and Custom Build, including selling these with an outline planning application already prepared. The Council is also using Community Housing Fund grant money to hire a full time community and self-build officer, who it is expected will become self-funded through the sale of land to groups and individuals.

The outline planning application was made by York City Council and included an illustrative proposed site plan for the YorSpace scheme and a document that summarised its aims, objectives and the form and tenure of the housing that it intends to provide. Through a 'deed of reliance' YorSpace has also been able to adopt the surveys commissioned by York City Council.

For the rest of the Lowfield Green site, including the self-build plots, a Design Code was produced that ensures there is design coherence across the scheme, but with latitude for innovation. With input from the housing officers this was updated to form the Design and Access statement in the outline planning application for the whole development.

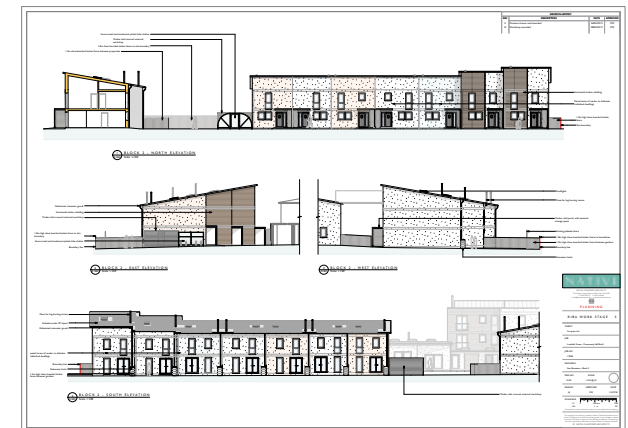
Learning points

- The political and corporate recognition that self and custom build can improve housing delivery, meet a statutory duty and provide a social good has been fundamental to YorSpace progressing and the policy and approach the Council has adopted for future schemes.
- The Council has actively responded to the evident demand for this type of development from its Self Build register by: identifying public and privately owned sites; adopting a valuation process that brings sites forward at a price that makes it financially viable to develop CLH; and using its development and planning resources to reduce the internal costs of supporting this type of development and delay and costs to the CLH group.



Lowfield Green - YorSpace on part of site

- Having an arrangement for the site surveys to be adopted by the YorSpace reduces their costs. For the future, York City Council is considering similarly allowing CLH schemes to adopt any Design Codes into the Design and Access Statements included in their planning application.
- Access to free advice from planning officers and someone who is able to provide planning support from the earliest stages has been critical. This can be time intensive, but it makes the process much less adversarial. Ultimately, working in this way reduces the amount of staff time required.
- The planning team, policy and development management needs knowledge of Community Led Housing - why things have to be done in a certain way to meet the legal requirements so the CLH group can to raise finance. For example, the YorSpace development requirement that part of site should be for CLH will be in the S 106 rather than solely stipulated in the deed in sale covenant.



Low field Green - Site of a new 140 dwelling development that includes the YorSpace co-housing scheme*

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Community Land Trust (CLT) developed as part of a large brownfield residential development which includes a Grade 2 listed building in East London

St Clements CLT

Twenty three affordable sale homes provided at prices linked to one third of average local incomes. This resulted in homes sold at 27% of the open market sale price of the private homes offered through the same 252 dwelling development. It was the first CLT in the London, and the first CLT residents moved in in 2017.

The affordable price is retained in perpetuity by linking future resale prices to local incomes, with Nationwide Building Society and the Ecology Bank agreeing to provide mortgages on this basis. The resale price arrangement is included as a covenant in the lease and is referred to in the scheme's S106 Agreement.

The site was selected as London CLT's preferred choice for development after a vote by its members. It was a large brownfield site that included the former St Clements hospital, which is a Grade 2 listed building. The site was owned by the Greater London Authority and offered for re-development. The community initially bid to buy the site in partnership with Igloo Regeneration, but failed to win the competition. However, the GLA's tender specification required the winners, Galliford Try, to include a community land trust on the site. After discussions with London CLT, Galliford Try agreed to work with the East London CLT to provide the intermediate affordable home ownership dwellings on site.

The site was developed by Galliford Try with 35% affordable housing on site. The majority is in the form

of social rent, with the remainder being sold by London CLT. The freehold of the site will be transferred to a new community foundation once the development is complete, to ensure it is held by the community. London CLT own a headlease on their 23 homes, and grant subleases to their residents. A Resident Management Company will be set up to ensure the residents are in control of the management of their homes.

Lessons learnt that have informed development of policy for CLH

At the time the St Clements site was being developed neither the GLA, nor the Borough of Tower Hamlets, had a specific community led housing policy. However, the experience has offered lessons for current policy development:

- *Land value* - the price at which the GLA disposed of the site took into account the necessity of keeping land values down in order to achieve the affordable housing target and intermediate sale prices affordable to local residents.
- *Transfer prices* - the price at which the head lease on the homes were transferred to the CLT was 20% less than the CLT sold them for, allowing the CLT to cover its overhead costs for bringing the site forward as a CLT and supporting the full engagement of the community.
- *Viability testing* - used the transfer price and maximised the cross-subsidy that would be available from the very high value flats that make up 65% of the scheme.
- *Leaving room for CLH to provide a range of tenures* - following from St Clements, one London Borough drafted a policy that took CLTs as providers of intermediate housing only. However,

CLTs – and CLH more broadly – have the flexibility to provide a range of tenures. This is reflected in the broader approach in the draft New London Plan that defines CLH using the criteria used for the Community Housing Fund.

- *Policies have to work together in combination* - site price is critical to it being viable to provide CLH. In London this is achieved by the combination of policies site encouraging: CLH development per se, affordable housing targets; and the citing CLH as an appropriate form of delivering small sites; and the mayoral target of delivering 1000 CLH homes in London by the end of the mayoralty.



St Clements CLT - Mile End London [London CLT](#)

Providing a Plan-Led Framework for Community Led Housing through strategic Local Plan policy and development management practice in Cornwall



Congdons Orchard, Landrake [Cornwall CLT](#)

Over 200 community led homes have been provided in Cornwall since 2006 with a further 150 in the pipeline. This is in no small part due to the supportive policy, enabling resource and development management practice of Cornwall Council. It has been at the vanguard of many aspects of a positive plan-led approach to development in a predominantly rural authority, but the principles that underpin its approach are also relevant to more urban areas.

The CLH homes provided are a mix of tenures, rental, shared ownership and discounted market sales homes. The schemes include self and custom build projects, CLT schemes developed in partnership with housing associations and private developers and 'stand alone' CLTs. Currently the Council are supporting an urban community to develop a cohousing scheme. Central to its success in delivering CLH has been the technical advice provided to communities by Cornwall CLT - which in effect acts as the CLH Hub in the county.

The Local Plan policy approach

Cornwall Council's adopted Local Plan puts community led development at the heart of its strategic policy and spatial strategy. Policy 1 Presumption in Favour of Sustainable Development includes the commitment, *'We will work with applicants, infrastructure providers and the local community to find solutions which mean that proposals will be approved wherever possible, and to secure development that improves the economic, social and environmental conditions in the area.'* Policy 2 Spatial Development includes, *'Supporting the delivery of made Neighbourhood Plans and other community based initiatives that help to make communities more resilient.'*

These opportunities are available to all communities for, whilst strategic development is focused in the main towns, a framework for Community Network Areas seeks to *'promote this as a longer term sustainable pattern of development which recognises that many of our smaller places could provide better opportunities to be more self-contained or work collectively to provide a range of services allowing development of an appropriate scale to meet their needs.'* (para 1.38).

The Council is currently drafting SPD that supports the provision of CLH as part of its approach to meeting its Self and Custom Build duties and as a mechanism for delivering affordable housing.

Development management and enabling practice

There is a culture of very close working between the housing enabling staff of the Council and development management who work together as multi-skilled area development teams. Affordable housing is a political priority for the Council and the mechanics of its provision are well understood by officers. To enhance its support for CLH, the Council employs a dedicated community led housing enabling officer. They provide technical support for community groups and, when an application for CLH goes to planning committee, they set out:

- What is the group and its legal form
- What it is trying to achieve
- Its future plans for development
- Who the development is seeking to house

The process for handling CLH applications is the same as for any other residential development, with the active involvement of housing enabling officers on any scheme of more than 5 dwellings. Pre-application is free for all schemes, including CLH developments, that provide 100% affordable housing.

Other support for CLH provided by Cornwall Council

In addition to the employment of a dedicated community housing enabler the Council also offers:

- a revolving capital loan facility for CLH groups
- grant funding for community groups to buy in specialist advice
- contracts Cornwall CLT and Cornwall Rural Housing Association to provide technical support to groups wanting to develop CLH
- capital grant funding for CLH schemes where appropriate – including off-site contributions, Land Remediation grants for abnormal development costs, and match-funding for local fundraising including community shares.

Learning points

- The inclusion in the underpinning objectives and spatial strategy of working with communities to find solutions to promote sustainable development and meet their needs, provides a strong hook for community led housing to be incorporated into other policies in the plan and SPD. It also provides an underpinning justification for communities to bring forward this form of development knowing it is compliant with the Local Plan's strategy.
- Using the Community Network Areas as the basis of policies for settlements outside of the main towns sends a positive message to groups

interested in pursuing community led housing, even in the smallest settlements. It provides assurance that if their proposal can demonstrate it is designed within this framework it will receive favourable consideration. As such it is considerably more enabling than traditional rural settlement policies that preclude some communities from development. It also supports community led housing to come forward without a Neighbourhood Plan being in place, which given the complexity of the process is an advantage.

- Be prepared to be ambitious and prepared to commit resources in the long term. Embedding a source of technical expertise within the council increases officer and councillor knowledge of CLH so they are able to quickly assess whether a scheme is truly CLH. Providing technical support directly and/or through a contracted service means that schemes coming forward are going to be deliverable and policy compliant.



Glebe Terrace, St Ewe [Cornwall CLT](#)

A bespoke Local Plan policy for Community Led Housing in East Cambridgeshire



The East Cambridgeshire District Council Local Plan, adopted in 2015, includes a specific policy for community led development which can be read [here](#)

To date this policy has supported:

- Two completed schemes providing 95 market homes and 31 affordable homes owned by the local CLTs
- Two schemes under construction proving 24 homes and 10 affordable homes that will be owned by the local CLTs
- Five schemes in early stage discussions

More details of each scheme can be found [here](#).

The drive for this policy came from councillors concerned that the current policy approach was not delivering the affordable housing needed. In the belief that development was more likely to happen when it was led by the community they worked with officers

to devise a policy for community led development. Its aim is to stem out-migration and enable people to stay and work where they have strong local connections by providing affordable homes.

The adopted Local Plan policy supports development on all types of site. As well as rural exception sites it also offers the options for a CLH organisation to develop an allocated site or for them to take on the affordable housing element of a market led development. In most instances developers choose to provide the affordable housing contribution by working with an RP, but in one case the community wanted more control to secure a development appropriate in scale and tenure to meet their needs. They convinced the developer to work with them and transfer 23 homes on a 75 dwelling development to the local village CLT.

In some cases the LPA has not been able to find a site in communities where there is an evident need for housing. It will then enlist the community led housing hub, CLT East to discuss the option of CLH with the community. If this gains support they will work with the community to identify potential sites.

The relationship with CLT East is described by the authority as 'invaluable' to the implementation of the policy. The Hub provides technical support to communities interested in CLH. Through regular meetings with the LPA it alerts them to potential opportunities and updates them on schemes in the pipeline. This process means the LPA can give very early feedback on the suitability of potential sites and schemes. CLT East relay this back to the community thus avoiding wasted time and resources for both the community and the LPA.

[Stretham and Wilburton CLT](#)



A bespoke Community Led Development **SPD** has been produced that sets out the information requirements that a group will have to submit with their planning application, how these different requirements can be achieved and the nature of the evidence that is required to show they have been met. This includes

- Evidence of Genuine community engagement,
- Proof that the organisation has a democratic structure, is controlled by the community and has in place clear management procedures, will be a not for profit organisation or that any profits will be returned to provide community benefits.
- Evidence of financial soundness and that the proposal is financially viable.
- A statement of community benefit covering tangible and softer community benefits and how any assets will be managed and funded in the long term.

Each scheme has a S106 agreement that sets out the allocations and lettings processes. This is provided through an addendum that includes the definition of eligible households in terms of their housing need and 'local connection'. The detail of local connection is defined specifically for each CLT and as such is different to the S106 that would be used for a rural exception site development.

Learning points

- The leadership shown by the politicians who initiated and supported the evolution of the policy gives confidence to officers, stakeholders and communities that this is a form of development in which it is worth investing time, effort and money.
- The adoption of a bespoke Community Led Development policy encourages communities to bring forward schemes that whilst addressing housing need also meet other needs. It has therefore provided a very tangible mechanism for the LPA to promote sustainable development in all its communities, including villages.
- The close working between the Council's housing enabling team and planning department facilitated and cemented an informed awareness of what is Community Led Development across all relevant departments of the local authority.
- Having a coherent suite of planning documents through the adoption of policy in the Local Plan, a bespoke SPD and tailored S106 Agreements supports transparent and consistent decision making. It also provides clarity to communities of what is expected of them and the parameters within which they need to design a scheme.
- The existence and close working between the local authority and the local CLH Hub makes the best use of limited local authority resources, reduces risk and time bringing schemes forward and supports realistic engagement of communities in pursuing a CLH development.

Share your thoughts and experience

Hopefully, you have found this Guide helpful. This may be the beginning of your journey, as it is for others, or you may already have been involved in writing a policy or supporting a CLH scheme. Whichever is your experience, for all of us CLH is an evolving area of planning policy and practice, with room for innovation and creativity. Recognising this opportunity and the importance of supportive planning policy and practice to delivery of CLH, a Basecamp just for planners has been set up by Community Led Homes.

There are three ways in which you can take part

Campfire - where you can ask questions and exchange ideas with others who are facing the same issues and where you can share your experience.

Message Board - where you can post announcements such as the publication of a Local Plan, DMD, SPD, or Neighbourhood Plan with a CLH policy, or a press release of a scheme opening where your policy and support has underpinned its delivery. Here too you will be able to find any Government announcements that are relevant to Community Led Housing.

Docs and Files - this is the 'library' that we hope will become a repository of practice that you can draw on. Here we would like you to share your policy documents and other supporting documentation, such as Planning Inspector reports and other policies or approaches that your authority has adopted.

Like Community Led Housing itself, this is a collaborative venture where we can learn together.

[Click here to join Basecamp now](#)

This Guide was commissioned by Community First Yorkshire. It was written by Jo Lavis MRTPI who has over 30 years experience delivering rural affordable housing. She is Director of Rural Housing Solutions and is currently Vice Chair of the National Community Land Trust Network and East Midlands Community Housing.