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# New co-operative and community-led homes

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# CCH

Confederation of  
Co-operative Housing

NATIONAL  
HOUSING  
FEDERATION



Community  
Housing  
Cymru

CO-OPERATIVES UK

COOP



Wales Co-operative Centre  
Canolfan Cydweithredol Cymru

## NEW CO-OPERATIVE & COMMUNITY-LED HOMES

People all over the country are talking about co-operative and community-led housing (CCLH). People in communities, people in existing community groups, people in local authorities, people in housing associations, people in the English and Welsh Governments.

There are different ways to develop CCLH. That's what makes it successful. It's about people best meeting housing needs, considering local issues and resources available and using bespoke methods to develop a scheme right for them. No two CCLH schemes are quite the same.

### **Co-operative and community-led housing**

- is developed by, with and usually for a democratic community membership organisation
- is controlled (and in some cases owned) by a local democratic community membership organisation

Co-operative and Community-Led Housing can be for everyone:

- for people on different income levels
- for particular groups of people
- for different tenures (ie. renting, owning, or asset sharing)
- for building new homes or buying and adapting existing residential or other buildings.

Developing housing schemes take time. People involved may have to devote several years from when they have the initial idea of a scheme to when people move into new homes.

But the rewards are high. People who have been involved in developing new CCLH rarely regret it. There are fantastic new CCLH schemes being developed all over the country.

## WAYS AND MEANS

There are three general ways that CCLH schemes are developed, all three of which can produce strong CCLH schemes:

<b>GRASS ROOTS</b>	A group of people come together to make it happen
<b>EXISTING COMMUNITY ORGANISATION</b>	An existing housing co-operative, development trust or another community organisation develops a CCLH scheme
<b>TOP DOWN MEETS BOTTOM UP</b>	A <b>local authority, housing association</b> or other organisation decide to set up a CCLH scheme and recruit the founder members as homes are developed

This guidance particularly covers England and Wales. Some of it may be relevant also in Scotland and Northern Ireland, but frameworks in these countries are different.

Items in **purple** are links to websites or to other places in this document.

We intend to periodically update this document to reflect changes and to include new ideas and approaches.

## GRASS ROOTS

- Some of the strongest co-operative and community-led housing organisations have been developed by grass roots communities coming together to make things happen
- A community group taking the responsibility to tackle the challenges leads to bonds being formed in the group that can lead to a strong community.
- The community group taking the lead means that it will have more control over decisions about what homes are developed
- But it can be very challenging doing things this way, and it relies on there being some particularly driven individuals being involved. It can take a long time to make it happen and a number of challenges will need to be overcome. However, various support is available.
- A community group developing a CCLH scheme will usually want to get local authority support
- A community group developing a CCLH scheme could make things easier by working with a housing association or some other developer, but this might bring different challenges

Lilac, Leeds

Ashley Vale,  
Bristol

Lancaster  
Cohousing

- A community group that wants to take the responsibility for developing a CCLH scheme may find guidance produced by **Locality** particularly useful. They may also be able to get advice from other national support organisations and from existing CCLH organisations.

## EXISTING COMMUNITY ORGANISATION

- An existing community organisation may decide it wants to develop CCLH. A housing co-op or a tenant management organisation may want to increase the number of homes available. A development trust or another community organisation may want to extend what it does for its local community and create a stable rental income.
- Existing community organisations may employ staff who will be able to assist in progressing a CCLH scheme. Housing co-ops or TMOs who buy services from service providers may be able to get assistance through them.
- An existing community organisation developing a CCLH scheme can extend their community-led ethos to the new homes. They will also have a track record of community-led governance and potentially assets that can be used.
- An existing community organisation developing a CCLH scheme will usually want to get local authority support
- An existing community organisation developing a CCLH scheme may choose to work with a housing association or some other developer, but this might bring different challenges

Bushbury Arms,  
Wolverhampton

Marlfield,  
Redditch

Langrove Co-op,  
Merseyside

- Existing Community Organisations that want to take the responsibility for developing a CCLH scheme will find this guidance and guidance produced by **Locality** particularly useful.

## TOP DOWN MEETS BOTTOM UP

- A local authority, housing association, another organisation, and/or a combination of these organisations may decide that it wishes to set up a CCLH scheme
- The partners involved can decide that a housing scheme it is developing will be CCLH. This is how most of the UK's CCLH schemes were developed.
- This approach means that the initiating organisation has to recruit and develop founder members to form a CCLH group during the development period.
- It also means that the organisation needs to be prepared to enable the CCLH group to take power over decision-making about how the housing will be managed.
- If done right, this method of developing CCLH can lead to value for money management as well as provide considerable benefits for the community housed.
- This approach leads to individuals participating who otherwise might not get to hear about or be interested in CCLH options

Old Oak Housing  
Co-op

Overton Road  
Group

Loftus Village  
Association

- This guidance is, in part, particularly aimed at providing information on this type of approach. A local authority, housing association or other organisation interested in Top Down Meets Bottom Up will find this guidance particularly useful.

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## USING THIS GUIDE

This guide is aimed at helping community groups, housing associations and co-ops, local authorities and others in the initial stages of considering how to develop new CCLH. It is not possible to develop a CCLH scheme just using a guide or a website. Advice will be needed along the way. This guide will help people to make early decisions about what type of scheme can be developed, and it signposts to where further advice is available.

This guide is particularly aimed at:

Housing associations wishing to support CCLH

Local authorities wishing to support CCLH

Housing co-ops and TMOs wishing to develop new homes

The following may also be useful sources of information:

Very small co-ops – ie. one shared rented house	Radical Routes
Grass roots groups operating on their own, Development Trusts and other Community Anchors	Locality
Community Land Trusts	National CLT Network
Cohousing	Cohousing Network
Self-build/custom build	NASCBA
Self-help housing (empty homes)	Self-help housing
Local authorities	CCIN Housing Commission
Welsh organisations	Wales Co-operative Centre

## THE CASE FOR CO-OPERATIVE AND COMMUNITY-LED HOUSING

CCLH schemes tend to make positive differences for people and communities, but different CCLH schemes are done for different reasons and produce different benefits. They can include:

- Democratic ownership and management of homes leading to people taking responsibility and feeling a sense of belonging, identity and ownership
- Building real and mutually supportive communities – a tapestry of human interaction that characterises the sector
- High satisfaction rates amongst residents of CCLH schemes
- Comparable quality of service provision to other providers
- Helping members of CCLH organisations reshape their lives and livelihoods, get skills and get into work
- Transforming neighbourhoods previously affected by a lack of trust and sense of community or anti-social behaviour
- Providing some of the benefits of individual home ownership within a supportive safety net
- Developing homes as CCLH that otherwise would not be developed at all
- Meeting individual needs and aspirations through community based businesses

## THE POLICY CONTEXT

We live in interesting times. Former certainties about housing markets were called into question in the global financial crisis of 2008, and there is now a growing housing crisis that national and local Governments, financial institutions, people and communities are struggling to deal with. In this context, ordinary people and communities are seeking new approaches and new relationships with institutional organisations.



Co-operative and community-led housing is a part of that change. The case for it was made in the independently researched Commission on Co-operative and Mutual Housing's publication "**Bringing Democracy Home**" in 2009.

"Bringing Democracy Home" Commission on Co-operative and Mutual Housing" 2009 ISBN 978-0-9564332-0-6 - available on CCH website

Co-operative and community-led housing organisations are part of an international movement where over 1 billion people are members of several thousand co-operative businesses.

In the midst of uncertainty and suffering, co-operatives provide hope and clarity of direction for citizens around the world. Uniquely amongst models of enterprise, co-operatives bring economic resources under democratic control. The co-operative model is a commercially efficient and effective way of doing business that takes account of a wider range of human needs, of time horizons and of values in decision-making. The co-operative sector is worldwide. Co-operatives develop individual participation, personal self-confidence and resilience, and create social capital. Co-operative institutions create long-term security; they are long-lasting, sustainable and successful.

**Blueprint for a Co-operative Decade – International  
Co-operative Alliance January 2013**

## National, local and regional Governments

All political parties support principles of community self-help and national Governments in England and Wales have indicated some levels of in principle support for community-led housing. How this manifests in practice changes as Governments change their policies.



The Welsh Government elected in 2016 has made a commitment to build 20,000 homes during the lifetime of the Government. It has made a **housing pact** with Community Housing Cymru, the trade body for housing associations in Wales and the Welsh Local Government Association about how to do this. The pact includes potential development of **co-operative housing**. The Welsh Government provides some capital funding for the development of affordable rented housing and low cost home ownership products, and is further exploring its loan (as opposed to grant) funding programmes to enable available funding go further.



The Welsh Government introduced a co-operative housing programme in 2012 which supported the development of a number of schemes and have renewed their support for the programme under the 2016 Government. This programme has provided flexible revenue funding to develop co-operative and community-led housing schemes through the **Wales Co-operative Centre** and capital funding through its mainstream programmes.



What this means is that viable co-operative and community-led housing schemes of a variety of types and tenures are likely to receive Welsh Government support.



The UK Government has jurisdiction over Government housing policies in England. It set an aim to see one million homes built during the lifetime of the current Parliament and is running the following programmes to assist in delivery of this aim:

- a £60m per annum **Community Housing Fund** for community-led housing for areas with significant second home ownership
- an **Affordable Housing Programme**, currently allocated for shared ownership housing and other “affordable housing” – largely relating to home ownership
- a **Home Building Fund** which provides loan funding for innovative projects, including potentially for CCLH
- programmes relating to **estate regeneration**, **Garden Villages** and **Garden Towns** and making use of public sector land.

In exempting Registered Provider fully mutual housing co-operatives and community land trusts from the requirement to reduce their rents during the four-year rent reduction programme required of housing associations and from the forthcoming Local Housing Allowance cap, the UK Government has recognised the distinctive nature of and their support for CCLH.



The National Government supports various programmes that may assist in the development of a CCLH project including:

- **Community Right to Build** – a programme to enable local communities achieve planning consent through a local ballot
- **Custom Build** – a programme where local authorities are expected to keep self and custom build registers for people and communities who wish to self-build, with the intention that the local authority permissions sufficient serviced plots to match demand represented by those who sign up to their registers.
- **Neighbourhood Plans** – a programme where local communities develop plans for the future of their neighbourhoods and vote on them. Neighbourhood Plans have been developed in over 270 areas and many more are being developed.



Local authorities can play a particularly important role in supporting CCLH and some have developed

specific strategies to do so. The Co-operative Councils Innovation Network is currently implementing a **Housing Commission** to explore how local authority support could be more widely available to CCLH.

## GREATER LONDON AUTHORITY

The Greater London Authority (GLA) has announced an **Affordable Housing Programme** aimed at affordable rented housing, London Living Rent (Rent to Buy), and shared ownership. The GLA have also indicated flexible support for other forms of affordable housing, including through their Innovation Fund, and specifically for community-led housing.

**Combined Authorities** have been established in seven regions of the country with a further four under development. A combined authority is established by local authorities to pool activities relating to transport, economic development and regeneration and receive delegated functions from central Government to do so. The Combined Authorities also have a housing remit and as new institutions, they are likely to be open to new and innovative approaches such as CCLH. Combined Authorities currently exist in Greater Manchester, Liverpool City Region, North East, Sheffield City Region, Tees Valley, West Midlands and West Yorkshire, with further ones planned for East Anglia, Greater Lincolnshire, North Midlands and West of England.



**Local Enterprise Partnerships** are partnerships between local authorities and businesses to help determine local economic priorities and lead economic growth in local areas. There are 39 LEPs currently in operation. They may identify housing, land and regeneration as growth priorities and so could potentially support CCLH.



What all this means is that it may be possible to get some resource and other national, regional or local Government support in England for co-operative and community-led housing, but getting support may be dependent on a number of local or other factors. Certainly, there are growing numbers of people in national, regional and local Government in England who have indicated in principle support for CCLH.

## MAKING A VIABLE HOUSING SCHEME

The following are usually components of a viable CCLH scheme:

### A sustainable community group

By the time the scheme goes live, there needs to be a group of people who will form, take responsibility and effectively govern the scheme. The group can be there right from the outset, but doesn't have to be.

### Active support from the Local Authority

Local authorities have access to or can signpost to potential sites, resources and partner housing associations. They also set local housing strategies.

### A realistic development partnership

Most schemes need a developer. For those with the skills and commitment, this might be employing a project manager, but for many it will be a partner housing association. They have development skills and access to resources and partnerships.

### A real site or building(s)

A housing scheme is not a housing scheme until it has a real site where it will be built or existing buildings.

### A realistic scheme proposal

A housing scheme needs a viable business plan for its development costs and long term management.

## A SUSTAINABLE COMMUNITY GROUP

Making a successful and sustainable community group to lead in a housing scheme is a vital part of developing a CCLH scheme. It's about inspiring a group of people to act as a community, work together, take responsibility for their futures, and function as a team. And this is likely to be over several years – initially during the set-up period, and more importantly, after the homes have been built and initial enthusiasm wanes.

### Who will be the first members?

**If the founder members are not necessarily going to live in the homes built**

In some cases, the founder members of the group will define themselves. For example, a CCLH scheme may be established so that the local community can have a say in homes built but the members will not

necessarily be the people living in them. If this is the case, it is likely that group membership will be open to those living or working in the area and so the first members will come together because of some local action.

**If the founder members are intending to live in the homes built**

However, in most cases, the founder members will be the first people to live in the homes built. In these cases, the earlier that the first occupant members are identified and become part of the community group, the

better and stronger the group will be that moves into the homes. Where they could come from depends on:

- the type of scheme being set up
- the intended tenure of the homes
- the incomes needed for someone to live there
- whether any grant funding comes with requirements to house people in housing need

### In a Grass Roots scheme

Some of the founder members will have identified themselves

### In a Existing Community Organisation scheme

The existing community organisation may have identified particular people whose need for housing may be the reason for the scheme

### In a Top Down Meets Bottom Up scheme

There is less likelihood that the founder members will be known at the outset

Possible sources for founder members might include:

- Word of mouth or spreading the word through local networks
- The Local Authority's or a housing association's allocations or housing advice system
- The Local Authority's Self or Custom Build Register
- Advertising through large scale employers

### If the scheme is using housing grant to provide subsidised affordable housing

If the scheme is using housing grant to provide subsidised affordable housing, any criteria regarding who can be housed in the homes built will need to be complied with. The Local Authority will need to be

consulted with regarding what that means. Local Authorities are under considerable pressure to provide homes for those in housing need, and so if public grant is supporting a CCLH scheme, they are likely to want it to house people to whom they have a duty. The Local Authority may be prepared to negotiate about this, particularly regarding founder members, if they understand the long-term purpose of the scheme and how it will lead to housing people in housing need.

Those who have the most priority are usually families, but there are other categories of people who may be housed. For example, the local authority may particularly nominate people with a disability or a serious medical condition who may need accommodation appropriate to their needs (it may be a good idea to include at least some **Lifetime Homes** in a new CCLH scheme to meet people's current and future physical needs) or existing tenants who are under-occupying their current homes, particularly older single people or couples living in family sized homes. However, people in housing need may also include those with multiple social problems, who may find it challenging to participate in CCLH schemes.

It is unwise for those developing CCLH schemes with public grant to come across in a way that suggests that they do not want to house people in housing need. Homelessness is perhaps the most frequently raised issue in local Councillors' surgeries. CCLH schemes that receive public grant need to be prepared to house a fair percentage of people who may have multiple social problems and should be proud of how well they can help people tackle those social problems.

**If the scheme is Top Down Meets Bottom Up**

If the scheme is Top Down Meets Bottom Up, it is important that founder members are recruited well in advance of them moving in to enable development of a sustainable community group.

The scheme would need to be clearly advertised as a CCLH scheme and that successful applicants are expected to become and participate as CCLH members in the group development programme and in the running of the CCLH scheme. The needs of the developing community group would need to be taken into account when identifying founder members. Where grant funding requires that people in housing need are housed, that housing need needs to be balanced with the willingness of applicants to participate in co-operative housing.

The Council, or the housing association, will need to pre-allocate homes to enable development of the CCLH scheme. Other allocation methods could be used for subsequent relets.

### If the scheme is intended for CCLH home ownership or market rent

If the scheme is intended for CCLH home ownership, shared ownership, market rent or possibly intermediate rent, work will need to be done to ensure that there is a market for the product on offer. Consideration will need to be given to whether there are people who can afford to and are willing to pay what it costs to live in the homes at the proposed costs. That the homes will be community-led is likely to be an incentive for some people, but it won't be the only factor that determines whether people choose to live in the scheme.

### Developing the vision

Those who are recruited as founder members will be dependent on the initial vision for the scheme – in particular the income levels of the people who it is intended will be housed.

There is a lot of chicken and egg involved in developing the initial vision for a CCLH scheme:

- A community group may have come together made up of people of differing income levels with a vision for a shared housing scheme. Substantially differing income levels are hard to accommodate in one scheme and some may not be able to participate in the scheme developed.
- A Local Authority or a housing association may be seeking to meet some identified local housing need through a CCLH scheme. The circumstances of the people who get involved as founder members may change meaning that they move on.
- If it's a Top Down Meets Bottom Up scheme, flexibility will help the community group take ownership of the vision and develop it in the way that is right for them.

- Dependent on the skills of those involved, consideration should be given to using skilled and/or external facilitators to ensure that meetings are accessible to all and as creative as they can be and not dominated by particular people or organisations.

## Developing the group

It is not possible to *give* people power. People can only *take* power. External organisations can only create the conditions in which people will choose to and be able to take power

CCLH housing depends on people actively taking on responsibility for decision-making. Without that, it can't work. A CCLH group needs a group development programme so that it can deliver the responsibilities it takes on. This programme will help the group to develop the skills it needs as well as enabling it to shape how the CCLH organisation will operate. The programme will need to be bespoke to the responsibilities that the group will be taking on and to local circumstances, but some or all of the following areas are likely to need to be covered:

- What will the CCLH organisation look like?
- Committee skills and officer roles
- What does “governance” mean and how is it done well?
- What does it mean to be a legal organisation?
- Delivering high quality housing and other services
- What is “asset management”?
- Duty of care and health and safety
- Managing the money, long term finance planning and understanding accounts
- Business planning and risk management
- Group dynamics and resolving conflict
- Negotiation skills
- The housing development process

The CCH has developed a **Code of Governance** for CCLH groups in partnership with the National Housing Federation. It is good practice that CCLH groups assess themselves annually against a Code of Governance and state their compliance with it in their annual accounts. The CCH has developed a **framework for good governance** for CCLH groups which allows them to self-assess against a governance checklist as they develop.

## Understanding the development process

Some CCLH groups want to or are specifically set up to oversee and lead development processes for new build homes. This requires careful planning to make it effective.

As well as arranging finance for the CCLH scheme, the development process includes:

- site or building acquisition
- site preparation and remediation (as necessary)
- designing the scheme
- obtaining outline and full planning permission
- assembling a team of professionals to deliver the scheme
- project managing the scheme
- contract management
- the construction phase
- the defects phase

There are various individuals and companies who specialise in providing project management support to CCLH groups developing housing schemes. Those CCLH groups wishing to manage the development process in this way should consider guidance produced by **Locality**. Other national support organisations may also be able to provide advice.

A CCLH group may wish to buy and renovate or remodel an existing property or properties in which case how much any of the above applies depends on how much work needs doing on the property. There are examples where small CCLH groups have bought one property, moved into it on a shared basis, and done works needed on the property with members living there.

In the case of a Top Down Meets Bottom Up scheme or possibly a housing co-operative developing new homes, it is probable that housing development will be carried out through a housing association. The housing association and the contractors they work with should be enthusiastic to engage with developing CCLH groups.

## Policies and procedures

The group will need to develop a set of policies and procedures for how it will do things when it is up and running. Policies are statements about how the CCLH group will do things. Procedures are more detailed documents that enable the policies to be implemented. Developing written policies means that all the group can have a say on how the CCLH group does things, and ensures clarity about how things will be done. If a CCLH group doesn't have written policies, this might mean that it has to make difficult decisions when circumstances arise which would normally be covered by policies. The CCH occasionally advises CCLH groups, often after several years, when they have big and difficult problems. Members may disagree about solutions, because the group did not agree policies to deal with things earlier when the group was not confronted with the problem.

The policies needed will differ dependent on the CCLH scheme being set up. Areas any CCLH group should consider include:

- A mission statement and a statement of vision and values
- Equality and Diversity
- Membership and member involvement
- A code of conduct, including managing conflicts of interest and confidentiality
- Information and training
- Duty of care issues (eg. health and safety, data protection)
- Planning for things that could go wrong (risk management)
- Rules for how money is managed (financial standing orders)
- Managing expenses
- The CCLH group's business plan
- Managing complaints and disputes
- Staff management policies (where staff are employed)

This may look a little daunting, but:

- All of them can be made exciting for a new group
- Developing them will be part of the new group's journey

- How much a group needs to consider them depends on the level of responsibilities the group is taking on
- The CCH and other organisations can provide advice and templates for all of these policy areas
- It may be possible to develop some once the group has started
- Groups need to review and renew policies once they are up and running.

Areas a CCLH group that will be managing rented housing should particularly consider include:

- Allocations and lettings
- Repairs and maintenance
- Setting and collecting rent and managing arrears
- Dealing with empty homes
- Dealing with anti-social behaviour
- Tenancy management issues

A CCLH group managing other forms of housing will need to consider equivalent but relevant areas.

The CCH may be able to supply sample policies, but it is important that policies are bespoke to each organisation and match local circumstances. It is particularly important in a Top Down Meets Bottom Up scheme that the housing association working with a group does not simply impose its own policies because that would not allow the scheme to get the benefits of being community-led.

### Support for group development

Group development is making the journey from having initial chats to being a functioning community organisation that has the skills to govern and make decisions. Different groups make that journey in different ways. Getting some support can be helpful.

There are three sources of such support (resources to provide support are discussed **later**):

- specific CCLH consultants
- consultants employed to project manage scheme developments, such as architects, chartered surveyors or other built environment specialists
- housing association partner organisations

Some groups may be able to get informal support from existing CCLH organisations. A CCLH scheme may be developed using a combination of these types of support. In a Top Down Meets Bottom Up scheme, the housing association partner should usually provide support to the group to determine how they will provide housing services, but support on initial group development, structures, legal agreements and rules should usually come from a specialist consultant.

The skills that might be necessary in supporting the development of the community group are as follows:

- previous experience of providing successful services to CCLH developments or similar
- knowledge of CCLH governance and finance or similar
- knowledge of CCLH ongoing management
- broad understanding of the ways that CCLH schemes could be set up, their potential legal and other structures
- previous experience of working with housing associations and local authorities
- general knowledge of the CCLH, finance and housing association sectors
- general knowledge of the housing policy environment
- ability to facilitate group development and provide training and development

Some consultants providing support in the CCLH sector are generic, in that they have general knowledge about all areas of CCLH. Others are specific to a particular model. If a group wants support in relation to a particular model, the latter consultant is fine, but particularly in the early stages, it is important that

community groups are not misled into pursuing options that are not right for them by consultants seeking to impose their models.

### Visiting existing schemes

It is always helpful to visit existing CCLH schemes. This can inspire fledgling groups. However, it is important to note that all CCLH schemes are never alike, and that setting up a new one will be different from any that can be visited. The CCH has a broad array of **case study examples** of CCLH on our website.

## THE ROLE OF THE LOCAL AUTHORITY

Local authorities have a statutory responsibility to survey housing need and housing conditions in their boroughs or districts. Their strategies for housing are intended to set out how people in housing need will be housed. Local authorities can include CCLH in their housing strategies. The last few years have seen increasingly more Councils express interest in supporting the development of CCLH schemes. The CCH is happy to discuss with local authorities how they might be able to develop CCLH.



**Co-operative Councils**  
Innovation Network

The **Co-operative Councils Innovation Network** is

currently carrying out a Housing Commission to investigate the best ways for Councils to support CCLH. The Commission will produce a report and website to encourage and enable local authorities to support CCLH and is working with HACT to develop a toolkit.

## Why would a local authority want to support CCLH?

There may be various reasons why local authorities might want to support CCLH schemes:

- There are lots of **positive benefits of CCLH**
- CCLH can help local authorities meet their objectives
- CCLH may potentially unlock small tricky sites that are not attractive to developers
- CCLH may enable denser development because of the collective approach to shared and communal space
- CCLH may enable bringing empty homes back into use
- By developing schemes as CCLH, local people may be supportive that new homes are developed. In some cases, CCLH schemes have developed homes where otherwise people would have protested against new development.
- CCLH can generate good local publicity for local authorities

- **Research** shows that CCLH schemes develop mutually supportive communities, particularly for older people, potentially resulting in lower social care costs
- National CCLH funding may be available
- CCLH generally harnesses people's drive and energy and potentially their access to finance.

## Some misconceptions

**Local Authorities need to develop homes at scale. CCLH is about small scale.**

Most CCLH is quite small scale (although some schemes can be several hundred homes). Most available development opportunities are small and several small-scale schemes add up to larger scale.

**CCLH can only be developed if there is an existing co-op that wants to develop.**

This isn't true. New CCLH schemes can be developed without an existing community-led scheme.

**CCLH is more expensive than other forms of housing.**

This isn't true. The costs of building CCLH homes should be no more expensive than other housing development.

**CCLH takes longer to develop than other forms of housing.**

This isn't true. CCLH development doesn't need to take any longer than other housing development.

Local authorities can provide various support to CCLH schemes:

- They can discuss how and if CCLH schemes fit in with their housing strategy
- They can help identify potential sites for development and help explain the local planning context and requirements
- They can use their housing advice service and their custom build register to identify potential CCLH founder members
- They can facilitate and support partnerships between community groups and housing associations. They can encourage housing association partners to make a development scheme they are developing CCLH.
- Councils may be able to assist in working out how to finance CCLH schemes
- Councils can adopt active strategies to support CCLH. In some cases, the Local Authority can decide that local needs could be met through a CCLH scheme, and their officers can actively generate schemes.
- Where local authorities have developed their own housing companies to build new homes, they can develop CCLH schemes through them.

### Engaging with the local authority

In a Top Down Meets Bottom Up scheme, the local authority may already be involved. Housing association partner organisations are likely to have good links with the local Council.

The first step for a community group to engage with the local authority might be to approach the relevant strategic officers in the Council or local Councillors. Councillors may be more likely to respond positively to approaches made by their constituents.

### Local authority resourcing and finance support

If a housing scheme fits in with their local housing strategies, local authorities may also be able to provide some resources. This might be officer time. They rarely have financial resources

available to support CCLH schemes, but some do. They can use their strategic position in a variety of ways to enable schemes to be resourced:

- Those Councils that still own Council housing can use their borrowing powers to provide low cost loan facilities
- Local authorities may have an influence over how Government housing grant and loan funding is used in their boroughs
- In England, the £60 million Community Housing Fund for CCLH is currently being channelled through particular local authorities
- Local authorities are the driving forces behind Combined Authorities which are intended to develop strategies to provide housing across the regions they serve. This includes developing systems for funding housing developments.
- Local authorities may facilitate the regeneration of particular areas or buildings, and within regeneration programmes, there may be opportunities to develop CCLH
- Local authorities may be able to lease particular building assets to CCLH groups. Selling the freehold of property assets at sub-market prices to CCLH groups to make them viable and affordable may be complicated for a local authority because there are rules they have to follow about disposal of assets at best consideration. It may be possible, however, that the social value a CCLH scheme will bring can be taken into account. Alternatively, leasing may be a more straightforward option.

## THE ROLE OF HOUSING ASSOCIATIONS

“Housing associations should do more where we can to enable people to lead and take control. They do it better than housing officers and are bothered about where they live”.

Dr Chris Handy MBE – Chief Executive, Accord Housing Group

CCLH is a big opportunity for housing associations to enable the common sense and commitment of local communities to make a major difference in neighbourhoods.

### Why would a housing association want to support CCLH?

There may be various reasons why a housing association might want to support CCLH schemes:

- There are lots of **positive benefits of CCLH**, with a clear **evidential case** available.
- CCLH schemes can help to deliver a housing association's objectives and strategic priorities
- CCLH can generate a good local reputation for a housing association, particularly in the local areas involved
- CCLH can and should be about strong local community identity leading to high quality housing management. CCLH rented schemes should have low arrears and voids, repairs identified and managed early, and any ASB issues nipped in the bud.
- National CCLH funding may be available and there may be particular Government support for CCLH.

## Some misconceptions

**Housing associations can't develop a CCLH scheme without a pre-existing community group.**

This isn't true. Good housing associations can generate community groups to run CCLH and there is latent demand for this. Most existing CCLH schemes have been generated by housing associations.

**Making CCLH schemes is likely to be more trouble than its worth.**

There is some work to be done at the outset to make CCLH work and it's about working differently. But most involved would consider the positive outcomes justify the input.

**Our lenders won't like it.**

This isn't true. Lenders like the idea of communities taking responsibility for their neighbourhoods.

**It would make it difficult for a housing association to manage its risks.**

This doesn't have to be true. There are ways to ensure that CCLH groups comply with a housing association's legal, regulatory and other obligations.

## Community groups and housing association partners

Housing associations can play important and often essential roles in developing CCLH. As the main organisations that have built homes for people on low incomes since the 1980s, housing associations have assets and resources that can help. They have skills relating to developing homes, building the partnerships needed to make a scheme happen, ensuring schemes achieve planning permission, and assembling finance for housing schemes.

They are also **Registered Providers** (in England) and **Registered Social Landlords** (in Wales). This means they are registered with the respective Governments or their agencies and may be able to receive public funding to build new homes. Public grant for new homes can usually only be received by a registered body and it can be challenging for CCLH groups to become registered. This means that considering working with a housing association might be necessary to receive public grant.

Once registered, organisations have to comply with either **English Regulatory Standards** or **Welsh Regulatory Standards** set by the regulator. Sometimes these regulations may not seem appropriate to community groups.

The CCH has worked with housing associations, and staff within them, who are good at understanding community dynamics and facilitating the growth of CCLH organisations. However, the limited examples of CCLH within housing associations means that it is rare that housing associations employ staff with experience of the sector, and often there is a need to help association staff understand what CCLH is about.

Building a partnership between a community group and a housing association is about give and take – compromise to achieve the best fit that will enable development of the CCLH housing scheme.

## Issues a CCLH group might want to explore with a housing association partner

The association's:

- development skills – do they build homes the CCLH group likes?
- track record of CCLH homes development
- track record of involving its tenants (perhaps speak to the association's tenants about this)
- openness and transparency (generally and about development costs & fees)
- flexibility about options for CCLH management
- willingness to involve the community group in home design
- governance and viability ratings – **England** and **Wales**

## Issues a housing association might want to explore with a CCLH group partner

The community group's:

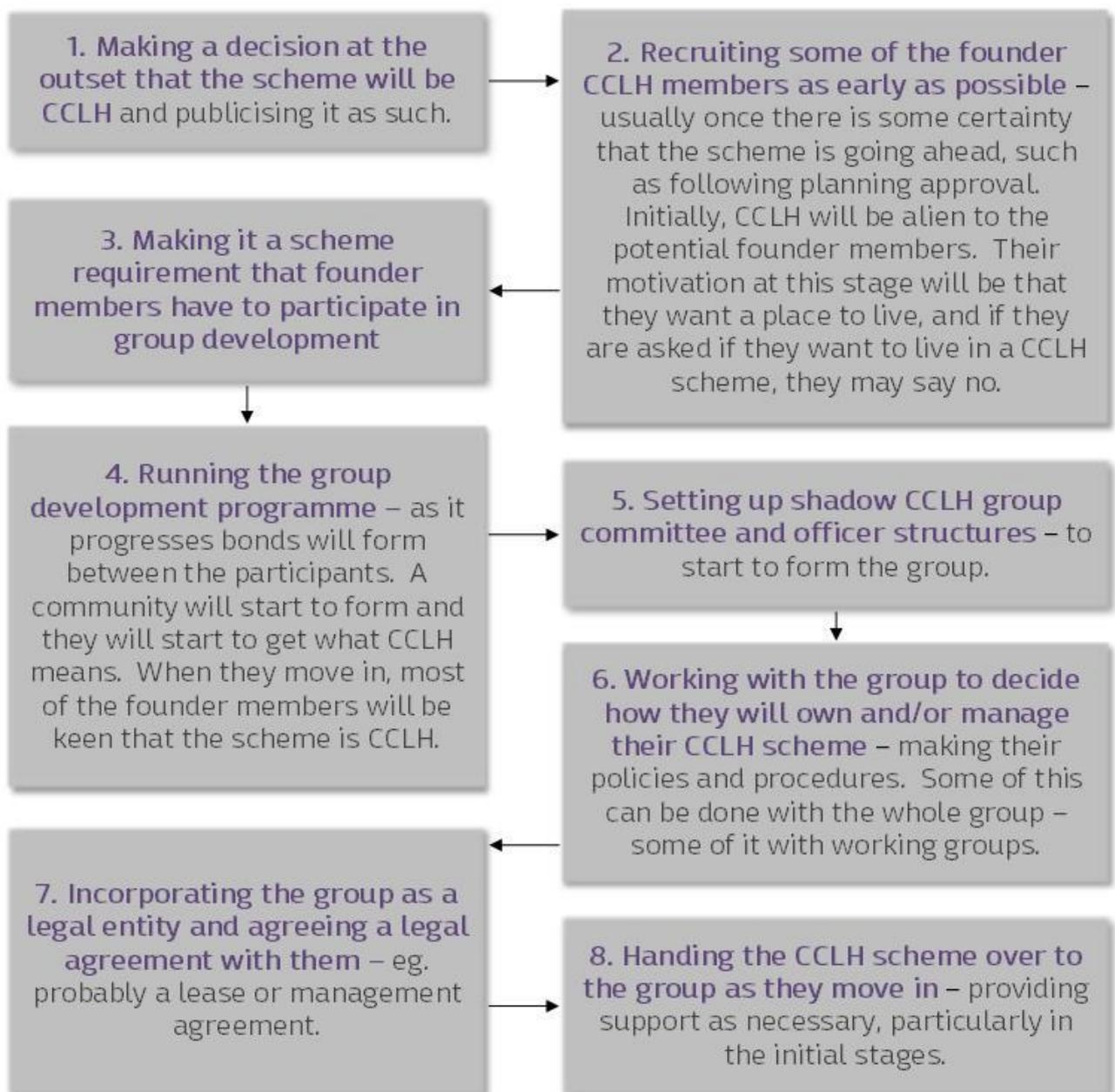
- commitment, persistence and enthusiasm
- governance and decision making processes
- access to and backing of the local community
- relationship with the local authority
- appreciation of the trade-offs involved in housing development, and willingness to work together and compromise
- long term aspirations for owning or managing assets
- previous community organisation and fund raising skills
- approach to equal opportunities and diversity

There are a small number of mutual housing associations in England and Wales who have been set up in accordance with co-operative values and principles. They may be particularly inclined to support CCLH schemes.

## Top Down Meets Bottom Up - a housing association can choose to make any scheme they are developing CCLH.

Housing associations can develop CCLH without a community group being in place at the outset. There are many good examples where this has happened. Usually housing people who otherwise would not normally hear about CCLH, this approach tends to lead to more diverse CCLH communities.

Developing a Top Down Meets Bottom Up scheme involves:



The housing association needs to be flexible about how the growing CCLH group decides to do things. It shouldn't just tell them that they have to do things in the same way that the association does them. That would defeat the point of setting them up as CCLH. They need to be able to explore different ways of doing things, learning from ideas that won't work.

A housing association should start by offering that the scheme be as community-led as possible. This is likely to be through a lease with full management responsibilities, but some form of management agreement may also be right for the circumstances. These **legal arrangements** are discussed later.

Assessments will need to be made about the right levels of responsibilities:

- The group may choose to take on lesser levels of responsibility. This should be facilitated
- The association may consider that the group does not have sufficient levels of skills to take on the levels of responsibilities it says it wants to. This should be negotiated.
- Interim arrangements might be agreed whilst the group finds its feet.

Options for **methods of management** for the CCLH group might include:

- Voluntary self-management
- Buying services from the housing association or from another organisation
- Employing staff
- Combinations of the above

An effective relationship between a housing association and a CCLH group will require ongoing liaison between them. Someone good at working with communities from the association should attend meetings with the group, regularly at the outset, but at least annually once the group is up and running.

With a Top Down Meets Bottom Up scheme, freehold ownership is likely to remain with the housing association during the duration of loan repayments, but the association should identify how the CCLH group could transfer ownership to itself at some later date.

## Summary of housing association roles

There are various roles that a housing association can play to support CCLH. The CCLH group and the association need to negotiate what roles will be played and how (even where the scheme is Top Down Meets Bottom Up).

Possible roles include:

- conceptualising the scheme, possibly in partnership with the local authority
- recruiting founder members and facilitating the development of a community group
- supporting the community group to determine how they will lead the CCLH scheme
- designing the scheme and achieving planning permission
- development of the homes
- arranging loan and any grant finance
- scheme ownership with legal agreements with the CCLH group
- delivery of some housing management services

The balance of how much any of these functions are roles for the association and roles for the CCLH group itself will differ dependent on the objectives and type of CCLH scheme being set up and how it has been initiated.

Where a scheme is being set up, particularly in rural areas, so that local people can have a say on what gets built and who lives in the homes, it may be the case that scheme ownership will remain with the CCLH group and a long-term lease will be granted to the association to enable them to raise finance and build the scheme. In these circumstances, it is likely that only small numbers of homes will be built in any one area and so future management is likely to be done by the association. There should be clarity from the outset regarding what fees the housing association charges for development and other services.

## EXISTING HOUSING CO-OPERATIVES

In several cases, existing housing co-operatives have substantial assets, either in their existing homes and/or as cash in the bank, which could enable them to support the development of new homes. Most existing housing co-operatives developed their homes many years ago and have now either paid off their original loans or are close to doing so.

Existing housing co-operatives could use assets to develop homes:

- as part of their existing co-operative
- through supporting another existing CCLH organisation
- through supporting another new CCLH scheme.

### Developing new homes

The high rates of grant that existed many years ago (through what was then called the Housing Corporation) when most existing housing co-ops originally developed their homes are not available. At best, public grant in England is only available for rented homes let at *affordable* rents, which may be as high as 80% of market rents.

Nonetheless, some housing co-ops have been able to develop small numbers of new rented homes for their co-ops without using public grant. Existing co-ops can use cash reserves to support the development of new homes, but they are also likely to have to loan fund new developments. Where co-ops have paid off loans on their existing properties, they can be used as collateral for new loans, meaning that their costs are likely to be greatly reduced.

Existing co-ops are likely to be able to build more new homes if they are flexible about the tenure of homes built. Grant funding may be available to fund low cost home ownership schemes, such as shared or mutual home ownership, but fully mutual housing co-ops may need to obtain legal advice on changing their existing rules and on compliance with regulatory requirements to enable them to carry out such developments.

The CCH, housing co-op service providers, and potential housing association partners can advise co-operatives on the following:

- whether they have assets that could be used to raise finance by examining their accounts
- how best to conceptualise a new build development that would fit in with the ethos of the co-operative
- what they would need to do to satisfy legal and regulatory requirements
- who they can work with to develop a new scheme

### Supporting other CCLH schemes

The co-operative could invest in other existing or new CCLH schemes. Several new CCLH schemes are seeking loans from investors to enable them to make their schemes viable. The co-op would need to:

- i) satisfy itself that it is legally allowed to lend to a proposed CCLH scheme. The co-op's rules will say what type of investments the co-op may make. It is probable that most co-operative housing rules would permit investment in another co-operative housing scheme, which would include all CCLH schemes unless they are predominantly about something other than housing.
- ii) make a judgement on the value of such an investment. Co-ops could choose to invest because the CCLH scheme is offering interest rates on loans at higher rates than those available from banks. The co-op may also invest in another CCLH scheme for ethical reasons to do with supporting another co-operative venture to increase housing supply.
- iii) make a judgement on the security of such an investment. Co-ops would need to be satisfied that the proposed CCLH scheme has a viable business plan and people who have the ability to deliver it.

## A REALISTIC SCHEME PROPOSAL

Making a realistic scheme proposal involves identification of:

- a development site or buildings which can achieve planning permission for the intended CCLH scheme
- a development model and funding plan setting out what is needed to raise the finances for the scheme
- a business plan for managing the scheme that includes costs for long term maintenance

### The development site or buildings

In urban areas, available land may be hard to find, and if land is available it may require remedial work or decontamination. Existing buildings (or land where existing buildings were) can be developed into new homes. A CCLH group could scout round the desired local area and investigate potential opportunities available. Particular issues to consider will include whether a CCLH scheme will achieve planning permission, for which local environmental issues will be important factors, such as proximity to places of employment, local infrastructure, vehicle access, drainage and other factors.

In villages and towns in rural areas, there may also be opportunities to develop existing buildings or parcels of land. Other land may be available but achieving planning permission for it may be challenging. Some local landowners may particularly support the idea of locally based CCLH and may be prepared to sell land at sub-market rates. If it is possible to achieve planning permission for CCLH schemes on agricultural land, its value is considerably increased, meaning that land owners can realise a higher value for it.

In either case, the Local Authority may be able to help identify potential sites or buildings. There are various lists and websites

identifying **land or development opportunities** that are currently publicly owned.

Obtaining planning permission is an important part of developing a CCLH scheme, particularly on greenfield sites or where change of use is required. A housing association or other development partner will usually be well versed in what is necessary to achieve planning permission.

In England, it may be helpful to be aware of recent Government policy changes which are aimed at enabling local communities to have more control over planning decisions. **Neighbourhood planning** groups enable local people to get involved in shaping local neighbourhood plans. **Community Right to Build** provisions enable local people achieve planning permission through local referenda particularly where local homes are needed in rural areas.

### The development model – obtaining funding

Funding the capital costs (ie. the costs of building the homes) of CCLH schemes can be challenging, not least because the comparative costs for a housing scheme are substantially more than what is needed to fund other community programmes.

**Capital costs for CCLH schemes should not be any more than equivalent *mainstream* housing projects.**

If a CCLH scheme is being developed with a housing association, they will use their loan facilities to fund it. Developing housing associations arrange loan facilities from which they can draw down as needed. This enables them to finance housing schemes and will be simpler and cheaper than a CCLH scheme arranging its own financing. However, it means that the scheme would need to remain on the housing association balance sheet during the loan period, which means that they would at least have to own scheme freehold. Circumstances under which the CCLH scheme could obtain their own finance and buy out the loan can be set out at the outset.

The following are potentially sources of funding:

- loans from financial institutions
- loans through local authority borrowing facilities
- community shares and loanstock from private investors (individuals or organisations)
- personal investment from the CCLH scheme members (dependent on the type of scheme being developed)
- grant or loan funding from national or local Government, charitable or other institutions
- land, buildings or other resources from public or private sources (some provided at less than market value)
- cross subsidy from other sources

## Institutional loans

Up to 70% of the development costs are likely to come from loan funding. This loan funding is either:

- short term funding (eg. five to seven years) that enables the homes to be built; or
- long term funding (eg. of perhaps thirty years) that enables the costs of the development to be fully repaid over time from rents and/or other sources

Most traditional financial institutions that provide funding for housing schemes only provide short term funding. In so doing, they want to know where the organisation would obtain long term funding so that their loans can be paid off. Many lenders will only lend to landlords who are registered with either the Homes and Communities Agency in England or the Welsh Government in Wales and who have a track record of managing development.

Some smaller *ethical* banks however are keen to lend to small scale CCLH schemes that have viable business plans, and some can provide both short and long term financing. Ethical banks in

this market particularly value the commitment shown in small scale community governance.

With most housing schemes costing significant amounts of money, the interest rate at which lending is made can have a significant impact on scheme costs. Financial institutions will base interest rates charged on their perception of risk (ie. the likelihood of them being repaid). *Traditional* financial institutions tend to view CCLH schemes as higher risk and charge more for their money, but this is not the case with ethical banks that lend to CCLH schemes.

Few, if any, financial institutions will lend the full cost of a CCLH scheme. Most will lend up to 70% of scheme costs. This means that the other 30% needs to come from somewhere else.

## Community shares and loanstock

Some CCLH schemes raise additional finance through **Community Shares** or **Loanstock** from private individuals or organisations. Through such means, investors can provide small to large capital to the CCLH scheme.

How CCLH schemes raise such capital differs dependent on whether the scheme is legally registered as a **society** or a **company**. If a society issues community shares, the capital raised is withdrawable share capital and investors become members of the scheme. If a society issues loanstock, investors are making a loan which is repayable on a set date and they have no membership rights. If a company wishes to issue shares or loans, their investment materials need to be approved by the Financial Conduct Authority which can be quite expensive. It is advised that CCLH schemes get appropriate advice if they are issuing community shares or loanstock.

CCLH schemes wishing to raise finance through these means would need to develop a prospectus setting out:

- key points in their business plan to show scheme viability. It is unlikely that investments will be protected (ie. they will not

- have a charge on the properties) and so investors need to know that the CCLH scheme will be able to repay investments
- what interest will be offered to investors and the frequency and how it will be paid
- whether the investor will have a vote within the CCLH scheme.

Generally, investors lend in this way to CCLH schemes because they wish to support the scheme rather than just for a financial return, although the financial return is also important.

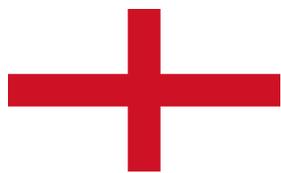
### Member personal equity

Some CCLH schemes enable their members and residents of the schemes to invest their own equity and resources in the scheme.

This could be either through them investing at the outset (ie. either through personal savings or a mortgage or a mixture of both), or through gradually buying equity as their personal circumstances enable them to. Schemes that enable **full or shared ownership** are discussed below, but where this approach is taken, this income would be factored into the CCLH scheme's financial modelling.

### Public grant and loan funding

The English and Welsh Governments and the Greater London Authority currently provide some housing grant or loan funding to provide a contribution to build costs.



The Homes and Communities Agency (HCA) administers an **Affordable Housing Programme** that currently supports shared ownership housing and other “affordable housing” which might include some rented housing. This funding is available to Registered Provider landlords. It also administers a **Home Building Fund** which provides loans for innovative housing solutions which can include CCLH.



The Department of Communities and Local Government (DCLG) has recently announced a £60m per annum **Community Housing Fund** to support the development of community-led homes in specific areas with significant numbers of second homes. This funding is currently channelled through relevant local authorities.

## GREATER LONDON AUTHORITY

The Greater London Authority (GLA) in London provides funding to enable development of affordable homes and has referred to CCLH schemes in its **Affordable Homes Programme**. The GLA's Innovation Fund in particular may be used to fund CCLH schemes.



The Welsh Government (WG) provides a **Housing and Regeneration Funding Framework** with set rates for affordable rented homes and for low cost home ownership. This programme is administered centrally but is allocated through local authorities. It is available to Registered Social Landlords. The Welsh Government has made a commitment to co-operative housing and will consider applications to fund viable CCLH schemes that meet the necessary requirements.

Government funding to support the costs of building homes can only be accessed through organisations that are registered with respective Government regulators – **Registered Providers** in England and **Registered Social Landlords** in Wales. These registered organisations include housing associations, and in England, local authorities that own housing stock, most housing co-operatives, and other organisations. It may be possible to register new CCLH organisations with the respective regulators.

Being registered means that any CCLH organisation that receives grant funding from Government (either directly or through a partner organisation) has to comply with either HCA defined **Regulatory Standards in England** or Welsh Government defined **Regulatory Standards in Wales**, such as how organisations are

governed, who can live in the homes built, what rent levels can be charged, and what service standards are expected.

Behind Government regulator registration lies the important principle that publicly subsidised homes should be available for people who most need them. Given the extreme housing need in England and Wales, this is an important principle for any potential local authority and housing association partners, and it should be an important principle for any CCLH scheme that is developing with public funding.

Some public funding may be grant funding which does not have to be repaid (unless the homes are sold on the open market). Some may be low cost loan funding, primarily for low cost home ownership options, which has to be repaid.

## Other resources

Other resources may be able to make housing schemes viable.

- Local authorities or other public bodies may release land or buildings, sometimes at sub-market costs, in order to enhance the affordability of a new housing scheme, or carry out works to make land or buildings usable.
- Local landowners in rural areas have been known to sell land at sub-market prices to support housing development for local people.
- Local authorities may be able to use their borrowing facilities to provide low cost loan facilities.
- It may be possible to cross subsidise a CCLH scheme from using some parts of a site for market sale or through some other method to raise income.
- **Power to Change** is an independent charitable trust endowed with £150 million in 2015 from the Big Lottery Fund to create better places through community business in England. A community business is defined as a local community-led social

enterprise and can include anything from a community pub or shop, to larger scale community hubs or community-led housing projects. In 2017, Power to Change is committing an initial £1m to fund the early stages of community housing projects in urban areas of England. This funding will help local groups move from their early plans to starting their housing projects on site.

- **Big Society Capital** may be able to provide loan funding to support community-led housing initiatives. There could be various other local grant and trust funds that may make a contribution for particular reasons.
- Some CCLH schemes raise initial working capital through online crowdfunding or other fundraising methods, such as benefit gigs, jumble sales or sponsored runs. These methods are unlikely to provide the capital needed to buy or develop homes, but they can raise the profile of a group in the community, bringing in grass roots support and building the community capacity of the organising team.

## A business plan

Before putting a spade in the ground to build homes, there needs to be a business plan that will enable the CCLH scheme to manage the scheme over at least the period of loan funding. A business plan will be particularly needed for investors to the CCLH scheme.

Issues that need to be considered in a business plan include:

- The aims and objectives of the CCLH scheme
- A summary of how the CCLH scheme will work
- How the CCLH scheme will be governed, include key personnel at the outset
- A long-term finance plan showing how the loan will be repaid, the scheme managed and asset management costs covered
- Risk management – ie. what might go wrong and what will happen if it does

If the scheme is Top Down Meets Bottom Up, a specific business plan for the scheme may not be needed, but the issues listed should be discussed with members of the CCLH scheme.

The main costs that any CCLH scheme would need to consider in the finance plan include:

- costs of repayment of loan finance
- public liability and other insurance costs
- legal, audit, training, social and administration costs

Other costs that would need to be considered in a rental scheme, and possibly in other schemes dependent on how much they are the responsibility of the CCLH scheme:

- costs of long term maintenance and replacement of components of the homes
- costs of day to day repairs
- buildings insurance
- any staffing or agency costs
- costs for homes being empty for short periods
- bad debts for tenants who leave owing arrears

Many of these costs become the responsibility of either individual residents where they are full or shared homeowners, a housing association if the CCLH scheme grants a long-term lease to a housing association, or a management company if the CCLH scheme employs one to provide a management service. Nonetheless, the CCLH scheme will want to know that these costs are provided for.

In some cases, full or shared home owners may decide that their personal repairs liabilities might be best and most economically met through the collective means that their CCLH scheme provides.

The aim of the finance plan is to show that the rental and other income will be sufficient to meet the CCLH scheme's costs over the lifetime of the loan.

## Funding to develop the CCLH group

What is known as *revenue* funding (as opposed to *capital* funding to develop the homes) will be needed to support the development and training of the CCLH group. This could also be revenue resources – it may not be money.



The Welsh Government and the Nationwide Foundation have provided revenue grant funding to the **Wales Co-operative Centre** (WCC) to enable the development of CCLH groups. In most cases, WCC employs the CCH to provide support services to developing groups. This enables flexible support to be provided to any CCLH scheme where the right level of resources can be provided on a scheme by scheme basis. The aim of the funding is to provide specialist support where necessary and local support, possibly through housing association partners, where specialist support is not necessary. Specialist support has been particularly provided under this programme in the following areas:

- initial scheme conceptualisation with partners
- advice on recruitment of founder members
- initial meetings with founder members
- discussions on the CCLH group development programme
- advice on legal structures and arrangements



It may be possible that some revenue funding may be available through the **Community Housing Fund**. Most other revenue funding programmes available in England assume that CCLH schemes will be developed through the Grass Roots approach, but even these tie conditions to the revenue funding

that schemes should be developed in a particular way that may not be right for all CCLH schemes.

The following may be helpful sources of revenue funding:

- **Power to Change** – is an independent charitable trust, set up in January 2015 with a £150 million endowment from the Big Lottery Fund, to support, develop and grow community business (including housing) across England.
- **CLT Fund** – a fund that provides revenue start up and pre-development grants and loans to some CCLH schemes, particularly including Community Land Trusts. It is not applicable to co-operatives or other schemes where the residents will be the CCLH scheme's members.
- **Community Housing and Building Fund** – a fund that provides revenue funding relating to some CCLH groups, largely relating to achieving planning permission.

There may be other sources of funding available locally and from trusts and charities. The CCH and the other community-led housing network organisations may be able to advise on where other sources of revenue funding may come from.

As a scheme develops a viable business plan, revenue costs to support the development and training of the CCLH group can be *capitalised* – ie. they can be added into the costs of the housing scheme. This will add a comparatively small sum to the development costs of the scheme.

Some revenue resources are needed to establish CCLH schemes. However, these revenue resources are more than recouped in the long term from savings made by successful CCLH projects.

## THE MODELS CURRENTLY AVAILABLE

It is often the case that those who are members or stakeholders of a particular generation of CCLH model like it so much that they will tell everyone else that they should use their model. However, no CCLH scheme should be set up based on choosing a model.

Partners to a scheme need to work out what they want to do and fit the model around their aims and aspirations. The beauty of co-operative and community-led housing is that it is a highly-localised method for communities and stakeholders to develop bespoke solutions that are right for them. No two CCLH schemes are the same or should be. They've all evolved to meet the needs of local people.

The factors below may be some of the main criteria which will determine the detailed differences that shape a CCLH scheme:

- whether it is intended that the scheme's members will live in the homes developed or whether membership is open to the wider community
- the aims and aspirations of the participants
- the intended tenure of the homes
- the income levels of the intended potential residents
- what potential funders will fund
- the wishes of potential partners such as the local authority or a partner housing association

It may be the case that the models set out in this guide will meet the aims and objectives of a CCLH scheme's participants. However, if a model doesn't fit, it is likely to be possible to adapt existing models or to invent new ones. The two key criteria that underpin CCLH – that (a) there is a democratic community membership and (b) that the membership controls at least some element of their housing – are what produces the benefits of CCLH schemes, not any particular model.

All of this makes it impossible to produce a neat diagram of models available. A diagram has been included in order to give some structure, but particular difficulties include:

- The distinction between whether scheme members live in the scheme or not is important, but usually only those who are legally tenants or leaseholders are able to become members
- There are various types of housing co-operative – we have referred to larger housing co-ops, most of which are likely to have received some public funding, and smaller housing co-ops which haven't, but this isn't a hard and fast rule
- Community Land Trusts and Cohousing communities can be co-operatives, other forms of society, or companies. CLTs can potentially include housing co-operatives or tenant management organisations
- Shared ownership co-operatives are likely to be tenant management organisations
- These definitions do not necessarily define the tenures that CCLH schemes offer. It is suggested that those nearer the top of the diagram are more likely to be predominantly rental schemes. Those nearer the bottom are more likely to include elements of home ownership.
- Housing Co-operatives can include both tenants and leaseholders
- Most CCLH organisations do other things for their community than just provide housing.
- A further category of *self-help housing* relates to enabling communities to renovate empty properties, which could potentially be through any of the models shown.

As noted above, it is best to choose what a CCLH scheme is aiming to achieve rather than the model to achieve it.

## Current models available

ALL SCHEME MEMBERS LIVE IN THE CCLH SCHEME

MORE LIKELY TO BE PREDOMINANTLY RENTAL SCHEMES (SOCIAL, AFFORDABLE, INTERMEDIATE OR MARKET RENTED)

LARGER HOUSING CO-OPERATIVES

SMALLER HOUSING CO-OPERATIVES

STUDENT HOUSING CO-OPERATIVES

TENANT MANAGEMENT ORGANISATIONS

MORE LIKELY TO INCLUDE SOME ELEMENT OF HOME OWNERSHIP

SHARED OWNERSHIP CO-OPERATIVES

COHOUSING COMMUNITIES

MUTUAL HOME OWNERSHIP

COMMUNITY SELF-BUILD

SCHEME MEMBERS CAN BE FROM THE WIDER COMMUNITY

PARTNERSHIP SCHEMES

COMMUNITY LAND TRUSTS

COMMUNITY ANCHOR ORGANISATIONS

COMMUNITY BASED HOUSING ASSOCIATIONS

## Fully mutual

Fully mutual means that all tenants or leaseholders are required to be members of the CCLH scheme and that all members are tenants or leaseholders (or potential tenants or leaseholders). Full mutuality is a particular legal structure for co-operative housing schemes (non-mutual housing co-ops means that membership is open to more than just those living in the CCLH scheme).

Being fully mutual means that the co-operative only pays Corporation Tax on interest earned and any other non-housing income. In England, fully mutual co-operatives that provide rented housing can only issue contractual tenancies (based on contract law as opposed to housing association assured tenancies that are partially based in statute). In Wales, fully mutual co-operatives can issue contractual or assured tenancies.

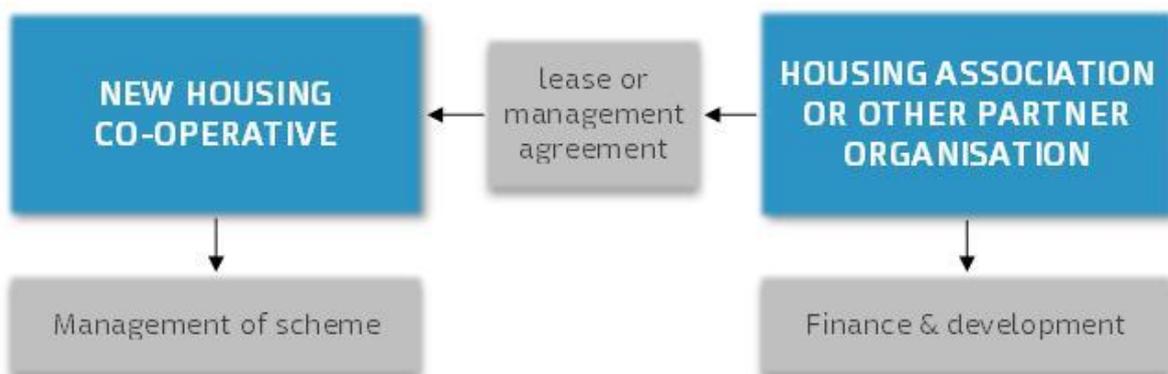
Fully mutual co-operatives are currently exempt from Local Housing Allowance caps to housing benefit, and in England, fully mutual Registered Provider co-operatives are exempt from the rent reduction requirements for Registered Providers and from Voluntary Right to Buy.

These are technical issues which will require particular and specific advice.

## Rental schemes – co-operatives and tenant management

Rental CCLH schemes are usually co-operatives (or tenant management organisations). Tenants who live in them are (or in some cases, can choose to be) members of the co-op and can participate in its governance through their membership. If scheme finances permit it, a new rental housing co-op can own the freehold of the homes it rents to its members. Over 400 existing UK rental housing co-operatives successfully own and manage their homes and have done so for many years.

However, except in small shared housing co-ops developed in an existing building, it will be difficult at the outset for a new housing co-op to get private loan funding and for it to become registered with the Government regulator if it is seeking public funding. Therefore, it is probable that a new housing co-op that owns more than one building would have to be set up in partnership with a housing association, an existing housing co-operative, a community land trust, or another partner organisation. This means that the freehold of new co-operative housing schemes would be owned by the development partner and a legal agreement (a lease or a management agreement) would be agreed with the co-operative organisation.

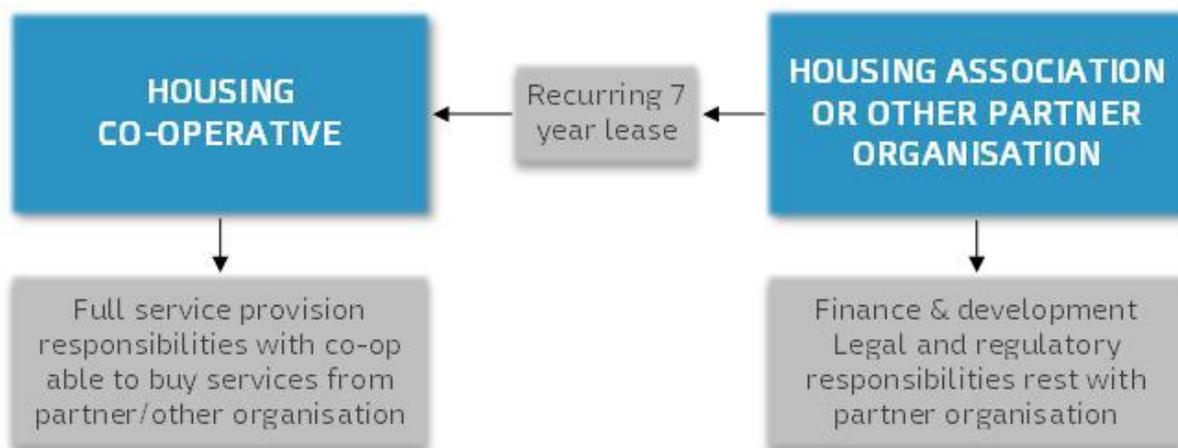


Terms in either a lease or a management agreement can be included that set out how a housing co-op can subsequently transfer full freehold ownership of the homes to itself. This would require the co-op raising its own finance, buying the homes and registering with the regulator if public grant has been involved.

## Leasehold ownership

A Leasehold Ownership Co-operative has a lease granted to it by a housing association or another partner organisation which owns the freehold of the properties.

A lease of over seven years transfers the assets to the co-op's balance sheet, which, if the partner organisation had arranged scheme financing, would not be appropriate for the partner's lenders. A lease of under seven years retains the assets on the partner organisation balance sheet and legal and regulatory responsibility rests with the partner organisation. The terms of the lease would need to require the co-op to meet the partner's legal and regulatory responsibilities. A seven-year lease can recur and it may be possible for a co-op to build its governance skills and viability during the first seven years so that it could raise its own finance, buy the freehold, and if necessary register with the Government regulator. A leasehold co-op can buy some services from the partner landlord.



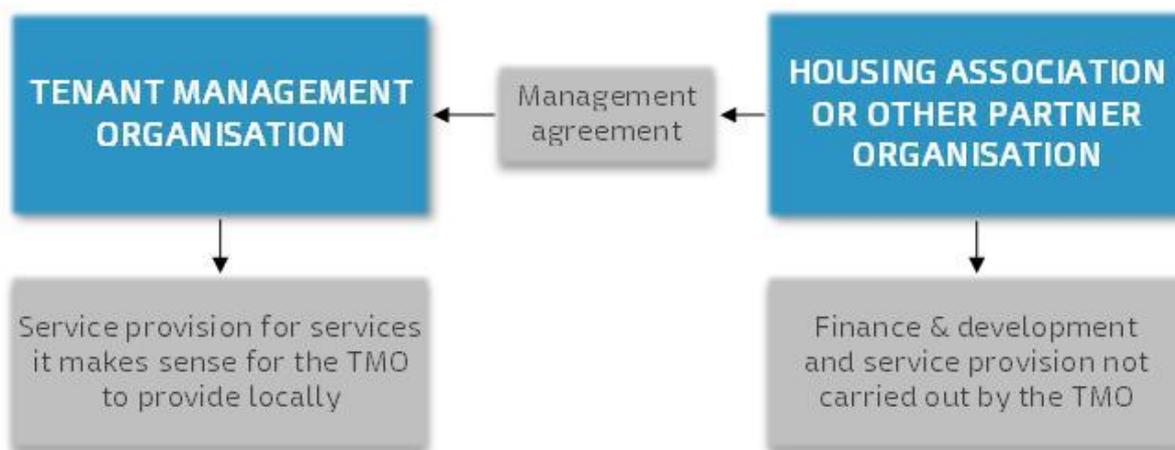
Under a lease, the co-op can issue tenancies in its own right. This would be helpful if freehold ownership is to be transferred to the co-operative at a later date. The CCH can provide a model lease for this arrangement.

Home Farm Village  
Housing Co-op, Cardiff

Redditch Co-operative  
Homes

## Tenant management

A Tenant Management Co-operative has a legal agreement to provide management services with a housing association or another partner organisation which owns the homes. The partner provides a management allowance to the co-op to enable them to provide services. The co-op chooses the level of service responsibility that are right for it, with services it does not take responsibility for provided by the partner. The partner retains their legal landlord and regulatory responsibilities, and needs to ensure that the co-op delivers a level of service that enables them to comply with their obligations.



Tenancy agreements are issued in the name of the partner, although they can be issued by the TMO. TMOs cannot be fully mutual, but tenants can be required to be members through their tenancy agreements. Rents can be paid either to the TMO or the partner. The TMO can also choose to buy some services back (eg. court action perhaps on a case by case basis) from the partner or from another organisation. There are various ways to determine TMO allowances, but they would normally involve apportioning allowance to various functions. The CCH can provide a model management agreement and suggest methods of calculating allowances.

**Bushbury Hill EMB,  
Wolverhampton**

**Old Oak Housing Co-op,  
Carmarthen**

## Small housing co-operatives

An organisation called **Radical Routes** pioneered a financial model for affordable rental co-ops in existed buildings that did not rely on public funding. In this model, up to 85% of the necessary capital finance is raised through a combination of an institutional mortgage, a second loan from ethical banks and the remainder through loanstock. For several years, this approach was effective in providing shared housing where co-op members live communally in rooms in the home, because less capital was required per tenant. Whilst this approach could still work for large houses being sold at comparatively low prices, it has now become more challenging to ensure affordability as house prices have risen, and rents may have to be closer to market rents or more in order to make such a scheme viable.

## Student housing co-operatives

Faced with very high housing costs, UK students have started to initiate student housing co-operatives. Set up in different ways – one a single shared house that has support from an agency, another a large property that enables it to employ staff – student housing co-ops need to ensure that they have support to be able to cope with turnover of membership.

Student housing co-operatives operate a support organisation called **Students for Co-operation** and have received financial support from the ethical business, the **Phone Co-operative**.

Birmingham Student  
Housing Co-operative

Edinburgh Student  
Housing Co-operative

## Market rented co-operatives

The CCH has proposed a model for market rented co-operatives. They may be an option for professional people in high value areas and for housing associations seeking to cross subsidise for homes for low income people.

The CCH envisages that a housing association could lease homes to a fully mutual co-operative for the market rent return envisaged by the association. The advantages of this approach for the association is that it would be possible to attract professional people to a co-operative who would want to make a comparatively long term commitment to the homes. The advantage for the co-operative members is that they would have good quality homes and they may be able to reduce the rent slightly through self-management.

## CCLH schemes that include home ownership options

There has been a recent growth in the development of CCLH schemes that offer community approaches to home ownership – enabling individuals to have a financial stake in their home whilst providing some communal safety net alongside the benefits that come from living in a community. Some schemes have also been able to make home ownership more affordable.

Whilst all of the models can be developed either using the Grass Roots approach or Top Down Meets Bottom Up, they rely on the strength of the community group established to sustain them. Because they are market based approaches, the members and residents of scheme need to identify with the CCLH scheme and want to be a part of it.

Because of the early nature of this part of the sector, it may be that further models will develop.

## Shared ownership co-operatives

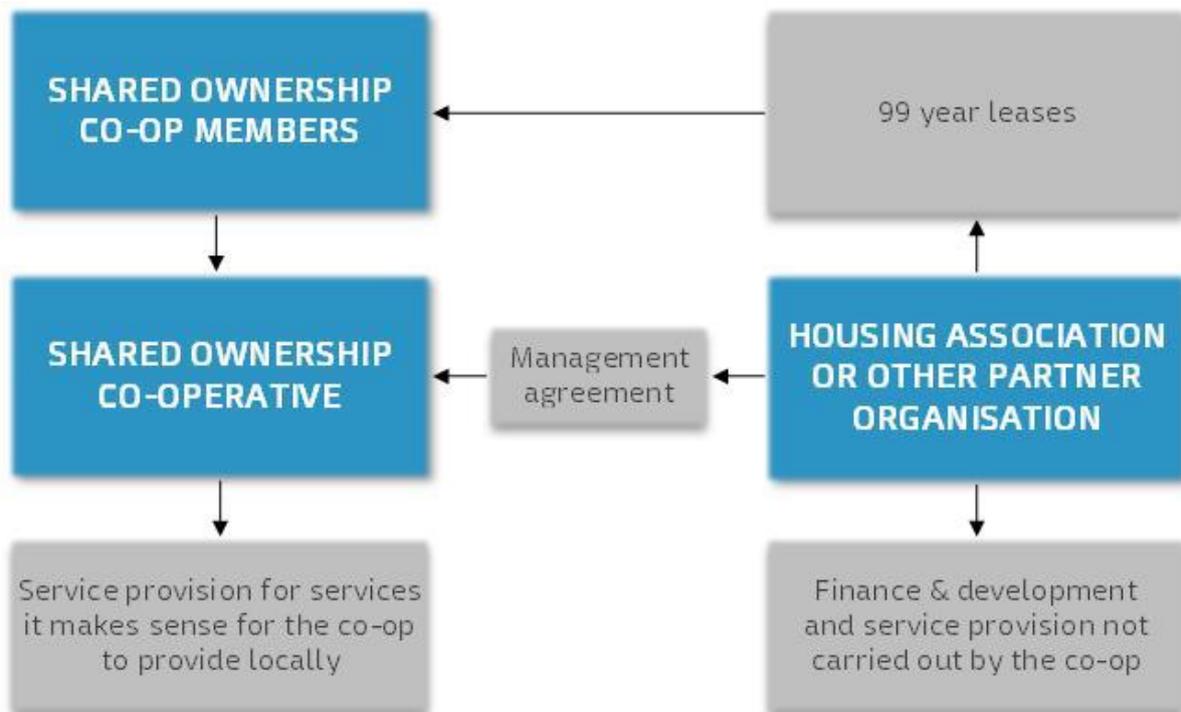
Shared ownership is commonly used by housing associations to enable individuals to part own and part rent homes with the potential for residents to staircase to full ownership. Individuals are granted leases on their properties under which they are responsible for their own repairing obligations. Individuals arrange their own mortgages, possibly with the assistance of the landlord, or bring in their own equity for the part of the property they are buying. Shared ownership is traditionally used to enable people to enter the property market whose incomes would otherwise not enable them to buy homes.

Shared ownership co-operatives are a community-led adaptation of the traditional shared ownership model that enables community control through a form of tenant management of parts of the shared ownership transaction that the co-op wants to have control over.

The housing association partner has 99 year leases with the shared home owners in the scheme in the same way as for traditional

shared ownership. This enables them to take out mortgages if they need to. The leases refer to the co-operative and covenant the shared home owners, and any subsequent shared home owners, to be members of it.

The model enables a potential mix of tenures if necessary. It is a legal requirement that the association allows potential full enfranchisement in order to ensure that membership covenants survive through different shared home owners. The association can also enable standard renting in this model if a shared homeowner's income was to reduce. However, all residents can be required to remain co-op members regardless of tenure.



The management agreement between the housing association and the shared ownership co-operative would enable the co-op to manage the following functions:

- aspects of the shared ownership relationship between the association and the co-op, such as providing information
- shared ownership rent collection
- management of any communal areas including grounds maintenance and common facilities
- management of anti-social behaviour and neighbour nuisance

- management of gas servicing, planned maintenance or any other services that co-op members decide could be better provided collectively between them.

The shared owners' rental payments cover the costs of loan finance for the scheme remaining following the shared owners' initial equity payments, a small amount for management costs of the co-op, and any additional costs the shared owners choose to pay for any collectively provided services.

### Loftus Village Association, Newport

Any public grant provided to enable scheme affordability could be recycled by the association as shared owners buy more equity in their homes.

## Mutual home ownership

First proposed by New Economics Foundation and CDS Co-operatives, Mutual Home Ownership (MHO) is a community form of home ownership. There are detailed complexities to the MHO model, but the basic principles are straightforward:

- MHO society members and residents pay a collective mortgage rather than traditional individual ones
- MHO society members contribute financially on the basis of their income levels eg. 35% of net household income
- MHO society members build equity that they can potentially take with them based on a national income based formula rather than property values, ensuring that homes remain affordable for subsequent MHO society members.

The homes are owned by the MHO society, a co-operative owned by the society's members – the residents of the homes. The MHO society is responsible for day to day repairs and asset

management, the latter funded through depreciation of members' equity shares.

The MHO scheme can be initially funded by a mix of member equity (each incoming member is required to pay at least 10% of the equity they can afford as a deposit) and loan funding, which could potentially be through public revolving loan funding or a housing association's loan facilities. A housing association may be able to grant a lease to an MHO society for a seven-year period after which time, the society can raise its own finance.

Scheme costs are divided into equity shares with an initial value of £1. The number of shares allocated to each household depends on their income and scheme costs relating to the size of their home. Reliant on recruiting founder (and subsequent) members who collectively will be able to pay for scheme costs, MHO societies can include an equity width (eg. between 90% and 110% of costs relating to each property) to enable affordability for some members. However, those buying or bringing lower equity need to be matched with those paying more. MHO society members moving out are required to find incoming members to buy their shares, and if they move out after three years, they receive 75% of the change in value of the equity shares - indexed to average national income changes.

### Lilac, Leeds

The potential benefits of MHO are that member housing costs, including repairs and asset management, are constantly set to 35% of their income. Members

can access a form of home ownership without the need to obtain an individual mortgage and there are no transaction costs because no homes are bought or sold. MHO societies can provide a range of affordability, but to do so requires a strong community component, including a common house, to ensure that some households are attracted who wish to buy more equity. The MHO model also ensures permanent affordability.

**Accord Housing** has also developed an approach which enables rental co-operative members to save equity alongside their rents. Members are offered an annual opportunity to buy shares in the co-op (up to a defined maximum level) enabling them to share in equity gains made by the co-op.

## Community self-build

Community self-build is a co-operative method for communities to build their own homes. A community self-build scheme can be initiated by a local community who want to build their own homes on a local site or by a housing association wishing to support the development of a community self-build group. There are different ways to develop community self-build. In some schemes, an agreement is made regarding how many hours self-builders devote to a scheme and those involved can achieve building qualifications from their involvement. In other schemes, the self-builders buy allocated plots of land and then make their own decisions about how they will build or self-commission their homes.

What makes community self-build into CCLH are the ongoing arrangements to manage communal elements of the scheme as a community. There has also been a long tradition in the UK supporting individuals “self-building” their homes. The CCH supports this, but we have not focussed on individual self-build here because it does not deliver a CCLH solution.

### Ashley Vale Community Builders, Bristol

The Housing and Planning Act 2016 introduced a requirement that local authority maintain a Self and Custom Build Register for

those wishing to build or self-commission their own homes, and where there are significant numbers who wish to do so, they are required to provide serviced plots to enable self-build. More information is available about this on **NASCBA's self-build portal**.

## Cohousing communities

Cohousing communities are a form of housing co-operative that are designed to be *intentional communities*. Each household has a self-contained, personal and private home but co-operative members come together to manage their community, share activities and eat together. To facilitate the intentional community element of cohousing communities, it is important that the community is developed at an early stage of developing a cohousing scheme. The design of the scheme is also particularly important with regards facilitating community, as is having a common house within the scheme.

Subject to funding arrangements, cohousing can provide ownership, shared ownership, mutual home ownership and rental tenures, although the model has been primarily used by people using their own equity to buy into the scheme. It can be difficult to mix people bringing personal equity into a scheme with publicly funded rented housing.

Senior cohousing initiatives are particularly on the increase in the UK (either through inter-generational or similar age range schemes) given the emphasis on neighbourly and mutually supportive relationships. Cohousing can also be used as an approach to collectively buying a house or buildings together.

The cohousing sector is represented by the **Cohousing Network**.

Lancaster Cohousing

Trelay Cohousing  
Community

## Non-resident CCLH schemes

CCLH schemes can be established by groups of people who are motivated to make particular outcomes happen in their local community. These outcomes may be about ensuring:

- A supply of permanently affordable housing
- Homes are available to local people on low incomes
- Regeneration of a local area
- Scheme design that fits in locally and environmental standards
- A local income stream
- Other community interests

Various CCLH vehicles can be formed to enable such local objectives to be delivered. Community Land Trusts have received recent publicity, but other options are available. Partnership bodies formed between the local authority, housing associations or other organisations (particularly those providing access to funding or resources) and the local community may also be an option. The larger the proposed scheme and the more resources required, the more likelihood that the scheme would need to be developed in partnership.

## Community Land Trusts

Community Land Trusts (CLTs) are community-owned organisations run by their members, whose primary purpose is to develop affordable homes (based on what local people earn) for the first occupiers and permanently for every subsequent occupier. They may also develop workspaces, community facilities or other assets that meet community needs. The National CLT Network lists some 225 existing CLTs across England and Wales, about 60 of which have developed 700 homes between them.

A CLT's membership is legally defined as being open to all the people who live and work in a defined community area (and potentially others), which could include those who live in homes built. A CLT's assets are legally defined as being controlled by its membership and can only be disposed of if the CLT's membership considers this would benefit the local community.

CLTs can operate in different ways, but they have particularly played a significant role in rural areas where high land values have resulted in lack of affordability for local people. There is now current exploration of how to implement CLTs in urban areas, with **Leeds Community Homes** being an example where local people are aiming to develop homes in Leeds using various methods.

The following CLT approaches have been particularly successful:

- County-wide Umbrella CLTs, such as **Cornwall CLT** and the prospective Gwynedd CLT, that develop homes in isolated rural settlements through small local CLTs. These may cross subsidise low cost housing development through market sales and they may provide low cost home ownership opportunities (with affordability built in through covenants) shared ownership, or rental homes.
- A model pioneered by **Wessex CLT Project** where village or town based CLTs develop homes in partnership with a housing association where the CLT owns scheme freehold and grants a long-term lease to a housing association to enable them to develop, finance and subsequently manage homes developed. Covenants in the lease enable the CLT to have an input into home design and allocations and provide for a small local CLT income. The Wessex CLT project has supported 20 CLTs in Devon, Somerset and Dorset using this method, and others have also used a similar approach.
- Urban based regeneration approaches where the CLT establishes other CCLH vehicles within the organisation to achieve particular ends, such as at **West Rhyl CLT**, where West Rhyl Co-operative is being set up within the CLT in relation to their Afallon housing development.

The CLT sector is represented by the **National CLT Network**

**Cornwall Community Land Trust**

**Toller Porcorum Community Land Trust**

## Partnership approaches

Partnership approaches may be required as schemes become larger, more complex and require more significant resources to enable them to happen. Partnerships may be particularly required where public grant or loan funding is necessary, where a local authority is using their borrowing powers to support a scheme, or where a housing association is using their loan facilities. Partnerships can work in a variety of different ways, but they may involve setting up some form of joint venture vehicle and/or a Partnership Board.

Partnerships may compromise the community-led nature of a scheme, but the reason to support CCLH is for the benefits it brings – some of which can be available from partnership approaches. The key to delivering community benefits from partnerships is ensuring that there is a clearly defined role for the community to play and their participation in governance of the developed structures is also clear.

Sometimes communities should consider whether their aims and aspirations can be met through partnerships. Some communities have wasted many years pursuing ambitious schemes on their own that may not be possible to realise independently but which can deliver the same or more benefits in a community partnership.

Garden Villages and Garden Towns and many forms of estate regeneration are likely to use some form of partnership. They may also offer opportunities to develop smaller scale CCLH schemes within the overall scheme.

The Somerleyton Trust

OSCAR

## Other organisations

A variety of other organisations have been set up to respond to a range of community needs.

Some **Community Based Housing Associations** have been set up to meet particular needs sometimes in relation to regeneration programmes. They are larger than other CCLH opportunities discussed in this guide and are very specific to their circumstances. The following are particular examples:

- **Walterton & Elgin Community Homes, Westminster** – set up under specific legislation in the 1990s as a result of community action
- **Watmos Community Homes** – set up to provide a vehicle for ownership of homes managed by 11 Tenant Management Organisations in Walsall and London
- **The Pioneer Group, Castle Vale, Birmingham** – set up following a regeneration programme on the Castle Vale estate. The Pioneer Group is an example where its preceding organisation was set up as community-led, but the community could not sustain community governance and chose to reduce its involvement in governance whilst maintaining the community ethos of the new organisation. Circumstances can change and communities need to be able to change how they operate.

Each community based housing association is set up with governance arrangements that are right for them in their circumstances, involving members of the community as appropriate.

**Community Anchors** have been established in various neighbourhoods to provide a range of social and community facilities. Most are Development Trusts and, dependent on the needs of local communities, they provide services ranging from support for young people, to health and wellbeing services, arts initiatives, employment support, money and welfare advice and other areas. Some are now developing CCLH schemes to meet local identified needs.

Set up in a variety of different ways, examples of Community Anchors include:

- **Saffron Lane Neighbourhood Council** – a resource centre supporting skills training, money advice, young people and wellbeing services. It also operates an urban farm and has created 68 new affordable and passiv haus standard homes in the heart of Leicester.
- **Goodwin Trust** – a wide ranging organisation in inner city Hull, Goodwin offers extensive local services to meet the needs of local people, working in partnership with public, private and third sector organisations. Its assets include a conference centre, 60 refurbished rental homes and a development of new, modular housing.
- **Witton Lodge Community Association** - established as a response to the announcement that 908 houses would be demolished, today Witton Lodge has nearly 200 rental homes and a 40 apartment extra care facility. It also provides support skills training among local people, runs a community hall and is involved in wide ranging environmental and wellbeing projects.

**Self-Help Housing** is an initiative to support various community based organisations, which can include co-ops and community land trusts, or other organisations who are unable to access mainstream housing for their members or clients, or who want to tackle local problems arising from empty property, with the tools to take on and make use of the increasing number of empty properties in our cities, towns and villages.

Examples of self-help housing include:

- **Canopy Housing** – a community organisations set to renovate derelict houses in Leeds, both to create decent homes for homeless people and to provide training for local people.
- **Mace Housing Co-operative** – a co-operative that developed out of short-life housing in Hackney and Camden in London that

provides homes primarily for single homeless people that also enables their members to gain housing related qualifications

- **St Basils Live and Work** and **Ty Cyfle** – community-led projects that provide homes and work opportunities for young people, through St Basil's youth homelessness organisation in Birmingham and Bron Afon Community Housing in Torfaen.

## METHODS OF MANAGEMENT

Establishing a CCLH scheme, whichever options is chosen, will also require decisions to be made about how the housing scheme is managed. Bespoke arrangements are likely to be needed that are suitable for the CCLH scheme and any partner organisations. There are three overarching options:

### Voluntary service delivery

Several CCLH schemes (usually smaller ones) use some voluntary service delivery, where members deliver services

The advantages of Voluntary Service Delivery are that it may result in a hands-on approach delivering effective localised and personal service delivery that members want and which will cost less to deliver. The disadvantages are that this approach requires long-term voluntary commitment and there can be conflicts between governance and operational delivery.

### Staff employment

Several CCLH schemes (usually larger ones) directly employ staff

The advantages of Staff Employment are that the CCLH scheme enjoys the professional services of dedicated members of staff. The disadvantages are that staff management can be a challenging responsibility for volunteers that historically may not be well fulfilled by community groups. There may also be staff cover issues, and challenges if the staff recruited do not have sufficient skills. Staff employment is also not viable for many CCLH schemes.

## Service provider support

Some CCLH schemes buy services from a service provider or a housing association partner

The advantages of Service Provider or Housing Association employment are that the service provider is responsible for the staff relationship and provides cover as appropriate and they have access to staff trained in various disciplines. The disadvantages are that if a relationship with a service provider is not properly designed, staff and CCLH scheme members may lose sight of the community-led nature of the scheme. There may also be VAT implications.

Smaller and Grass Roots developed schemes are likely to be entirely voluntarily managed. Slightly larger CCLH and Top Down Meets Bottom Up schemes are likely to be managed through a mixture of voluntary involvement and staff or service provider provision of services. Defining these relationships effectively will be important to ensuring the success of the CCLH scheme. The CCH has developed an accreditation system for organisations providing services to CCLH schemes. All of the organisations providing services to significant numbers of housing co-operatives have been accredited.

## LEGAL STRUCTURES

A decision will need to be taken as the CCLH group develops regarding what legal structure should be adopted for the CCLH scheme. The group's registration as a legal entity, known as *incorporation*, is what makes the organisation a legally recognised body, and what provides the members and governing body members their limited liability. CCLH groups are unlikely to be able to enter into legal agreements with other organisations until they have become incorporated.

By becoming incorporated, the CCLH group takes on legal responsibilities, such as the requirement to hold an Annual General Meeting, to have an official registered address, and to operate the CCLH's governing body and membership in accordance with the constitution that is registered.

Because of taking on these responsibilities, it is best practice that incorporation should happen later in the group development process so that CCLH scheme members are sure that the structure they are registering under is right for them, and that they are willing and able to take on incorporation responsibilities. Some funding programmes require groups to be incorporated in order to receive grant funding. This is unfortunate, and groups need to be sure that their method of registration is right for them before applying for such funding.

The initial choice that needs to be made is whether the CCLH group wishes to register:

- As a **Society** – a legal form designed for community or co-operative organisations. Societies register with Rules and there are requirements about what societies can and cannot do because the model is intended to be about providing benefit either to its members (a **Co-operative Society**) or to a wider interest group (a **Society for the Benefit of the Community** – a *bencom*).

Societies are registered with the Financial Conduct Authority (FCA) who check that the rules comply with their requirements. This can take some time, and so some Model Rules are registered with the FCA through sponsoring bodies. Providing a CCLH scheme does not want to make major changes, registering with Model Rules becomes more of a formality. The CCH (and Radical Routes) have developed Model Rules for co-operatives and some of the other models in this guide with **Co-operatives UK**, the national trade body for the co-operative movement. Once incorporated, the CCH makes those co-ops who have become their members aware of any changes to Society Law that could affect them.

- As a **Company** – a legal form designed for most businesses in the country. Whilst Companies Limited by Shares are companies listed on the stock exchange, the company models used by CCLH schemes include **Companies Limited by Guarantee** (possibly appropriate where membership is primarily for residents of schemes) and **Community Interest Companies** (possibly appropriate where membership is primarily for a geographical community or other interest group).

Companies register with Companies House using Memorandum and Articles (Mem and Arts). This is easier to do than society registration, because Companies House do not check the Mem and Arts registered. However, this means that responsibility for getting the Mem and Arts correct lies with the CCLH group. Off the shelf Mem and Arts exist, and the more complex that CCLH groups make their Mem and Arts, the more possibility there may be that they could contravene Company Law. This means that CCLH groups may need to take legal advice before registering non-standard Mem and Arts. Once incorporated, the CCLH group will be responsible for ensuring that it is aware of any changes to Company Law that could affect them.

There are advantages and disadvantages to each type of incorporation, and it is suggested that each CCLH group take legal advice from someone qualified to provide it before incorporation.

## WHO CAN HELP?

Organisation	e-mail contact	Subject area
<b>Confederation of Co-operative Housing</b>	info@cch.coop	All forms of CCLH
<b>Cohousing Network</b>	helo@cohousing.org.uk	Cohousing
<b>National CLT Network</b>	Info @communitylandtrusts.org.uk	Community Land Trusts
<b>Co-operative Councils Innovation Network Housing Commission</b>	john.montes@croydon.gov.uk	Local Authority involvement in CCLH
<b>Dept of Communities &amp; Local Government</b>	Andrew.Dack @communities.gsi.gov.uk	Government housing programmes in England
<b>Greater London Authority</b>	MajaLuna.Jorgensen @london.gov.uk>	London housing development
<b>Housing Associations Charitable Trust</b>	info@hact.org.uk	Community issues in housing associations
<b>Homes and Communities Agency</b>	Anthony.Brand @hca.gsi.gov.uk	Government housing programmes in England
<b>Local Government Association</b>	info@local.gov.uk	Local Authorities
<b>Locality</b>	communityledhousing @locality.org.uk	All forms of CCLH
<b>National Self-Build Agency</b>	info@nasba.org.uk	Self-Build
<b>National Housing Federation</b>	info@housing.org.uk	Housing associations
<b>National Federation of Tenant Management Organisations</b>	contact@nftmo.com	Tenant management
<b>Radical Routes</b>	coopreg @radicalroutes.org.uk	Loanstock and small rental housing co-ops
<b>Self-Help Housing</b>	jnf@agents-for-change.com	Empty Homes funding
<b>Tenants &amp; Residents Organisations of England</b>	runcornoffice@taroe.org	Social housing tenant related issues
<b>Tenant Participation Advisory Service</b>	info@tpas.org.uk	Social housing tenant related issues
<b>Wales Co-operative Centre</b>	info@walescooperative.org	Co-operative initiatives in Wales
<b>Welsh Government</b>	Stephen.Tranah @wales.gsi.gov.uk	Government housing programmes in Wales

## WITH THANKS TO

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Catherine Harrington – National CLT Network  
Maja Luna Jorgenson – Greater London Authority  
Anna Kear – Cohousing Network  
Matthew Kennedy – CIH Cymru  
Lyn Kesterton – Locality  
Debbie Larner – CIH  
Bronwen Lloyd - Pobl  
Ed Mayo – Co-operatives UK  
John Montes – CCIN Housing Commission  
Selina Moyo – Community Housing Cymru  
Cath Muller - Radical Routes  
David Orr – National Housing Federation  
David Palmer – Wales Co-operative Centre  
Rose Seagrief – Power to Change  
Tamsin Stirling – Wales Co-operative Centre  
Carl Taylor – Redditch Co-operative Homes  
Sally Thomas – HACT  
Stephen Tranah – Welsh Government

