

West Midlands ACRE Community Led Housing Conference
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Why Community Led Housing is needed.

Presentation by Ian Crawley - Volunteer CLT Advisor and NCLTN Trustee.

We have a broken housing system. Homelessness, which has more than doubled since 2010, although every Government starts its term with a pledge to eradicate it - **the size of local authority housing the waiting lists and the numbers in bed & breakfast - the much larger numbers of sons and daughters still living with their parents even though they are well into their 30s - the lack of newbuild affordable homes for rent.**

Are all evidence of our broken housing system. Lord Kerslake, the former head of the Civil Service says that housing is the "visible and stark" aspect of an economy that is not working for ordinary people.

Successive governments have stepped away from building social housing. The state has left housing to market forces which have not delivered. Affordable housing is increasingly for sale or not even built in accordance with Local Plans, as skewed viability assessments rule it out.

We are here today, because we all want to play a part in addressing that crisis, albeit a small part in terms of the scale of the crisis. The nation needs new housing and the community led housing sector has a part to play.

The Government has recognised this with the launch of the Community Housing Fund and is starting to provide Housing Associations with certainty on long term capital grant. . Individuals, groups and communities cannot do it alone.

There are individuals who see self build or custom build as the only way they will ever own their own home or the only way to have the sort of home they want.

There are groups who wish to provide housing collectively for themselves through co-ops or co-housing.

And there are committed citizens who come together to provide the affordable housing their community needs through a Community Land Trust. Building homes, owned by the community for local people in housing need in perpetuity.

What they all need is positive and supportive local authorities, town and parish councils; accessible revenue and capital funds; and experienced and expert advice and support.

I am working as a volunteer CLT advisor with towns and villages from Cheshire in the north to Wiltshire in the south, Pembrokeshire in the West to Buckinghamshire in the east. The town and parish councillors and residents in England and the community cllrs. and residents in Wales are saying, the private sector is not building what is needed; that their local authority is not interested in building affordable new homes; and housing associations are no longer interested in small sites in small communities.

They are saying, we need in our communities:

- * apartments or flats for young people leaving home or single people from relationship breakups.
- * 2 and 3 bedroom homes for rent for young and growing families, who will never be able to afford to buy, will not be able to get a mortgage, or do not want to own their own home. Currently considered to be 25 to 30% of the population and rising.
- * bungalows for affordable rent to free up rented houses from single occupation.
- * bungalows for freehold sale, to enable older single people to escape the millstone of a large house they no longer need without leaving the community they may have always lived in.
- * sites at a reasonable price to enable individuals to self build or custom build

Plus there are groups who wish to live together as a co-operative or in a co-housing development, who are seeking sites or large buildings at a reasonable price.

In small settlements, people are worried about their communities having a sustainable future, if there is not a wide range of homes to meet all local needs, providing an expanding population to revitalise the primary school with new young families, to buy from the local shop, to use local sport and recreational facilities; and to use public transport.

Understanding the reasons for the crisis can help us focus on the role of the CLH sector:

- * **Mostly houses are being built** - In many of the communities I am assisting, you have a 'choice' of a new build home, as long as it is a freehold for sale four bed detached with a small garden . No flats, no bungalows and very few affordable homes for rent are being built, if at all. Nationally, fewer than 25% of homes are flats and yet 81% of all new homes are houses.
- * **Too few affordable homes are for rent** - as housebuilders either argue they cannot afford them or they can include homes for sale (starter homes) as affordable. How is it that Berkley Homes, who largely work in London, has significantly reduced its affordable homes obligation by arguing they cannot afford it and yet made a profit of £2.9bn over the past seven years and paid their top executive £174m over the last decade plus £163m of shares.

The revised National Planning Policy Framework now allows private build to rent to count towards the affordable housing allocation for an area.

* **Only 8% of the housing stock in rural areas is affordable**, compared to 20% in urban areas. A situation which will worsen if Housing Associations are forced to sell their highest value stock, which may well be in a small village in an attractive area. In 2016/17 there were only 1071 new homes brought forward on rural exception sites. 55% were by five LAs. One LA - Cornwall- accounted for 400 of these homes.

* **Homelessness and roughsleeping also feature in rural areas.** We will all have heard of teenagers and young people sofa-surfing. They are also living in outhouses, barns, tents and cars. A recent report cited as reasons the lower income levels, shortages of affordable homes, a high prevalence of second and holiday homes, and the continuing decline in local authority stock.

* **The stigma attached to social housing** is corrosive. In too many communities people are saying, we do not want those sort of people! However, in some towns and villages there is evidence of poorly managed and maintained social housing.

* **The Right to Buy for local authority stock** and the Right To Acquire for housing association stock has provided over 4.5 million households with a home that they own, that they would probably not otherwise have been able to afford. However, these homes have not and are not being replaced, whatever successive Governments have said. Many of these homes have been sold on to absentee landlords and sublet to people from outside those communities. We also have the bizarre situation where local authorities lease back at exorbitant cost, properties they previously owned, in order to house the homeless.

In the last six years, 66,000 have been sold at an average discount of 50% to the market price, but fewer than 18,000 have been built or acquired to replace them. In the first quarter of 2017/18, there were 2187 RTB sales, whilst the RTB Replacement programme only started on site or acquired 837 homes. Whilst 1 million are registered as being in housing need, local authorities' freedom to borrow to build is strictly limited and they are not allowed to keep 100% of the RTB receipts.

* **Homes left empty** - more than 200,000 homes lie empty in England alone, of which more than 11,000 have remained unoccupied for more than a decade.

* **We have an open market for land** where the award of planning consent for residential use on agricultural land worth £12,500 a hectare can gift that landowner £2.5m in extreme cases. We have no system for sharing the betterment from the award of planning consent with the Local Planning Authority. We have land exempted from inheritance tax, meaning it is often traded solely to maintain and protect wealth, rather than serve a worthwhile purpose.

* **The affordability gap** - the relationship between house prices and average earnings - has widened significantly in much of the countryside, as the market primarily serves second and holiday home owners and retirees, who have far more to spend on housing than local workers. The market does not try to be affordable to local people, because it has plenty of demand from out of the area to feed on. As a result house price to income ratios are out of control - 13:1 in Horsham, Sussex, 9:1 in Cornwall and South Lakeland.

* **Successive Governments believed and have acted on the basis that home ownership** was going to become and should be made available to all. With those who could not afford to own their own home, renting in the private sector. In this sector costs are high, tenancies insecure and housing conditions consistently the worst of any sector. It is perhaps therefore surprising that we have in 2016/17 a social rented sector providing 17% of homes - 3.9 million houses, bungalows and flats. Many commentators now believe between 25% and 30% of households will either never be able to afford to own their own home, would not be funded to do so or do not wish to own their own homes. The northern Europeans call home ownership the British obsession. The majority of households in these countries are happy to rent.

One in 4 adults have no savings at all, so will struggle to provide the deposit to rent privately, let alone the tens of thousands of pounds to obtain a mortgage. The inclusion of Starter Homes For Sale in the affordable housing allocation has had the inevitable consequence of further reducing the number of new homes for rent.

* **Local Government and Planning.** The continued deregulation and reform of the planning system has reduced the ability of local authorities to secure genuinely affordable homes for social rent. One example is a written ministerial statement in 2014 which states that , "affordable housing should not be sought on schemes of 10 units or fewer". In response Fenland DC argued that "the extent of the need for affordable housing in the district, along with deprivation levels and lack of delivery, are considerations of such weight that affordable housing should still be provided² despite the national policy conflict. They are, however, losing appeals against their requirement for affordable homes.

The pressures on LA budgets have forced land and property disposals to be for best price in the open market, rather than best value, which can include the benefits a lower sale price can deliver for that community. In Nailsworth, Gloucestershire where I live, a semi-derelict local authority garages site, for which Stroud District Council had no proposals, was sold freehold to the local CLT for £1. It will shortly be providing 10 homes for affordable rent and has brought to the community £1.3 million of investment that would not have otherwise come to the town. Yet, the decision to sell for a community led housing scheme still required the casting vote of the Chair of the Housing Committee.

What of the Future?

People are seeking local solutions to these problems with the planning and delivery of the homes they understand their community needs, but the private sector is not interested in providing.

They need advice and guidance on what is possible and assistance in establishing specific local needs . Local authority strategic housing and planning staff have a critical role here. East Cambridgeshire DC is an exemplar in the policy, guidance, and support it has put in place.

They need support and assistance on what to do. New Community Led Housing Hubs or Centres (as in Herefordshire) will be invaluable in filling the gaps in provision across the country and in providing links to those groups who have delivered for their communities elsewhere in the country.

They need Housing Associations willing to be supportive partners in sharing their development, management and maintenance expertise.

They need long term and consistent system of revenue and capital funding (a permanent Community Housing Fund) with procedures, processes and conditions which reflect the voluntary social enterprise sector at the heart of community led housing.

They need affordable homes, owned and controlled by local people, to house local people in housing need.

The housing system is broken. Community led housing can play a part in fixing it.

Ends