



Community Led Housing: How to Guides

5. Tenure Model



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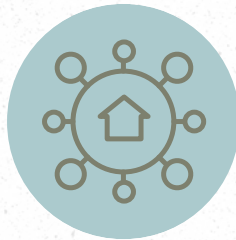
Marmalade Lane Cohousing, Cambridge ↑

1. Introduction

Tenure is another way of describing who owns buildings and land, and what agreement there is between the owner and the resident or occupier. There are several different tenure routes a Community-Led Housing (CLH) organisation can choose from, with many opting for a mixture of tenures, to provide housing for a range of people with different circumstances. Factors which will have an influence over the tenure model you choose will be:



Who owns the land, and who will own it once development is completed – Does your organisation own the site? Will houses be managed by a housing association, and what housing do they want to provide?



The housing needs of people in the local community – Is there a big demand for social rental housing for single people, or are there lots of families who need support to get on the housing ladder for example?



The specific needs of your current members – Do you have current members who want to share a single house communally, or do they want to own their own homes individually?



The ethos of your organisation – Do you believe strongly in providing affordable housing, or collective ownership for example?



Restrictions imposed by planning permission – Do all or some of the houses need to be 'affordable' and available for local people?



The viability of your proposal – Do the numbers add up? Do you need to include some market value housing to raise some extra cash?

We'll have a look at some of the main tenure options and some considerations for each one. These are:

Market rental housing

Intermediate rental housing

Social rental housing

Market value ownership housing

Affordable Home ownership

Quick tenure definitions

Freehold – This is where a person or organisation owns land, and the fixed buildings attached to it, entirely and for an indefinite period of time.

Leasehold – This is where an occupier or leaseholder has the right to own land and buildings for a set period of time, after which it passes back to the freeholder. This period is usually over 6 months, and can be as long as 999 years. For this period, the leaseholder has most of the same rights as a freeholder and the land/buildings are considered their property. The leasehold can be sold on the open market, with the price usually going down the nearer to the end of the lease period it gets. Due to the frequent exploitative use of leasehold by freeholders, new leasehold houses were banned in 2024 in England and Wales, although leasehold flats are still allowed, as well as shared ownership leasehold agreements.

Rental – Renting is an agreement that someone can occupy land or a building on a short term basis, usually agreed a month at a time. It is generally more flexible and less secure than leasing. The landlord can choose to make changes to the rental agreement, which they cannot with a leasehold agreement. Renters also do not have the automatic right to extend their agreement, as leaseholders do. A rental agreement cannot be sold on, in the same way a leasehold can be.

2. Rental models

We all know what rental housing is, the resident pays a landlord a set amount each week or month, and in exchange has the right to live in the house. However within this there are three main types of rental housing which CLH organisations can choose to provide.

Market rental housing – Rental housing where the price is dictated by the market, effectively what people are willing to pay. If you are in an area where rents are very low already, you may not need to offer a discount for those on low incomes. Alternatively you may be aiming to provide housing for your current members, who are able to afford market rents, but prefer the idea of CLH to conventionally managed housing or want to create housing which is not available on the market, for example using a cohousing design.

Intermediate (affordable) rental housing – This is housing where the maximum rent is set at a below market level, to provide for those on a low-moderate income who cannot afford market rents but earn too much to be eligible for social housing. To be considered intermediate rent, houses must be let at below 80% Of Market Value (OMV) including any service charges but it can be lower, depending on what is affordable in relation to average prices locally. If receiving grant funding towards building intermediate rental housing, residents will need to be selected based on their financial situation i.e. not being able to afford market housing, and in some places, often rural areas, a local-needs criteria may need to be enforced. The houses will also need to meet certain standards of quality and space. However affordable rental housing can be delivered by private landlords or social landlords, with or without government funding.

Social Housing – Often referred to as ‘council housing’ or ‘social rented housing’, this is housing where the rent is set by a formulae tied to local incomes and local house prices. This formulae is controlled by the government and is usually less than half of an equivalent market rent. Different geographical areas within a local authority will have a set level which social rents are capped at for each size of house. Those in social housing who are in receipt of housing benefit will receive the value of the eligible rent, so social housing is affordable for almost everybody.

Social housing tenancies are generally more secure than other forms of rental housing, often being a tenancy for life. This means that as long as tenants abide by their tenancy agreement and pay the rent, they will be guaranteed a home, even if they need to be moved to another suitable social home. Social homes must be built and fitted out to specified quality standards, and they are generally better quality than low-cost private rental housing. Social housing can only be delivered by local authorities and; registered social landlords in Wales or registered providers in England (see [info box](#)), and is almost always subsidised through grant funding from the government.

Social housing is in very high demand due to the low numbers of new social homes being built, the impact of the Right to Buy scheme and soaring market house prices. Applicants are assessed and prioritised based on their personal circumstances including: being homeless, living in unsafe or overcrowded housing, being a victim of domestic violence, health or disability reasons, needing to live in a particular area for work or care responsibilities or coming out of the armed forces. Social housing is often providing housing for the most vulnerable people in society and therefore puts a lot of responsibility in the hands of providers. For this reason there are strict regulations and reporting requirements associated with providing social housing.

RSLs and RP

RSLs & RP – Registered Social Landlords in Wales and Registered Providers in England broadly describe the same thing, which are organisations other than local authorities who build and manage social housing. They must be registered with the respective devolved governments and have reporting requirements. Usually, but not always, these are non-profit housing associations.

The difference between the two definitions, is that in England RPs include for-profit housing associations, whereas in Wales only not-for-profit housing associations are included in the definition of RSLs. Being an RSL or RP is a prerequisite for applying for government grant funding through the Social Housing Fund (Wales) or Homes England funding (England), which are by far the largest grant funds for affordable and social housing. You will therefore need to become an RSL or RP, or partner with one to draw down this funding. An organisation must also be an RSL or RP to rent housing as social housing, regardless of their funding source.

In England many CLH groups, usually CLTs, have become RPs themselves and delivered social housing. In Wales as of 2024, the Senedd has not been supportive of applications for CLH groups to become RPs, and therefore there is no way for CLH groups to access funding through the social housing grant or provide social housing without a partner RSL. However Welsh Government have provided equivalent funding for CLH organisations through other funding programmes, such as the Land and Buildings Development Fund.

Social housing is in very high demand due to the low numbers of new social homes being built, the impact of the Right to Buy scheme and soaring market house prices

3. Home ownership models

Many people have a strong desire to own their own home for many reasons; to provide more housing security, because they want to invest for the future or just because they want to be able to decorate or make changes without asking for permission. CLH groups often choose to include some home ownership options and some may even provide exclusively housing for full or part ownership.

Market Value Housing

The most straight forward route, is to provide housing with no mechanism in place to ensure affordability. Houses or plots are sold in full to the highest bidder, and once they are built and sold, the CLH group has no further involvement in the homes. For some resident-led groups providing housing only for themselves, this could mean houses are bought more cheaply by those involved in creating the housing. Alternatively, instead of making the homes cheaper, any cost saving is used to increase the quality or provide additional services such as a common house or shared garden.

Residents are able to sell the houses on at whatever price they are offered and receive any profit themselves. After the initial buyer, there is nothing to ensure the house is affordable in the future. Therefore it is unlikely there will be grant funding available for market value housing and certain planning permission routes will not be open to you, such as rural or affordable exception sites. Where planning allows, some CLH groups choose to provide some market value housing, which subsidises the affordable housing.

Affordable Home Ownership

Due to the numbers of people at all levels of society wanting to own their own home, combined with rocketing house prices, several affordable-ownership options have emerged, and are often adopted by CLH groups. To be regarded as 'affordable', the sale price must be 80% of market value or less. Some organisations based in areas with very high house prices where 80% is still not remotely affordable, have set this level much lower, sometimes as low as 35% OMV.

Discounted Sale – This is the crudest and simplest model, where the developer (your CLH group for example) sells the entire home for a percentage of the market value. They then attach a covenant to the deed of the home, limiting future sale prices to that percentage and often additionally impose restrictions on who is eligible to purchase the house. Households connected to the local area in need of housing for example. This keeps the homes affordable into the future, it being very hard to remove this covenant once it is in place. It does not allow much flexibility for the resident to purchase more of the home, and it is harder to enforce the local needs criteria, as the CLH group no longer has a legal stake in the property.

Shared Ownership – This is where residents can purchase a percentage of the value of their home usually from 25-80% and pay rent on the remaining percentage which is retained by the CLH organisation or housing association. This is currently the most common form of affordable ownership housing being created by CLH organisations.

Usually residents are able to purchase additional equity in their home, and unless this has been restricted, over time they can purchase 100% of the equity to become full

owners. If this is a house, as opposed to a flat or apartment, once the resident acquires 100% of the lease, the freehold is automatically transferred to them. This process is known as staircasing and is a good way for residents to work their way up the housing ladder, but does risk the house becoming unaffordable in the future. In England, in areas where replacing affordable housing is hard, such as rural areas, they are designated as 'protected areas' by the government, and staircasing is legally capped at 80% OMV. Similarly the staircasing limit for housing provided for older people (55+) or those with long-term disabilities can also be capped at 75%. Currently 'protected areas' do not exist in the same way in Wales. Further protections which can be added to a shared ownership agreement can be:

- **Nomination rights** – The CLH organisation can stipulate in the shared ownership agreement that they have the right to nominate future inhabitants based on a local housing needs criteria for example.
- **Pre-emption rights** – The shared-ownership agreement can state that on resale, the seller must offer the house back to the CLH organisation at the current market value, before putting it up for sale publicly.

In a case where the resident has staircased to 100% of the value, the above rights no longer apply, meaning the house can be sold on the open market unrestricted, and is therefore no longer an 'affordable home' (sometimes referred to as being 'lost to the open market')

Fixed Equity Housing – This is similar to Shared Ownership, but the amount of equity sold is fixed and residents do not pay rent on the remaining equity they don't own. They cannot purchase further equity.

Equity Loan (shared equity) – This is where the buyer

purchases a percentage of the value of a house, while a third party, usually a housing association or the government, lends them the money to purchase the remaining smaller percentage through an equity loan. No interest is usually charged on the equity loan for a set period (2-25 years), although as the value of the house goes up, the amount needed to be repaid also goes up. On its own, this is not a secure mechanism for ensuring affordability in perpetuity, as the homeowner has the legal right to pay off the loan and own the property outright. The CLT would need to put in place the pre-emption rights mentioned above, to make this acceptable as 'affordable housing'.

Mutual Home Ownership Society (MHOS) – This is a model of housing that aims to strike a balance between co-operative and individual ownership. Rather than buying their own home, residents purchase a share of all of the houses in a development through a lump sum and/or monthly payments. When members leave they are able to sell their share to an incoming resident, allowing them to purchase another home. The amount that people pay each month can be different based on their incomes, and keeps housing genuinely & permanently affordable. It also allows those who would not be able to obtain a mortgage themselves, to be part of the collective mortgage in the name of the co-operative society. It means that residents have an equal say in how housing is managed.

The model can be complex to create and requires more administration than other ownership models. It is also not recognised as 'affordable housing' by many local authorities, so it may make securing planning or grant funding more challenging, although not impossible. The most notable example to date is the pioneering CLH organisation LILAC in Leeds, who have lots of great information about the model on their website.

Collective ownership

Some CLH groups choose to own all of their land and housing collectively, with no individual ownership or formal rental agreement at all. This often but not always involves an informal 'rent' paid by individuals to the co-operative, which would pay for a mortgage, running costs and maintenance. The 'rents' could be set at a level which just covers actual costs, or with enough surplus to grow the co-operative and provide housing for more people. For co-operative housing where you are able to finance the project upfront without any borrowing, through members' savings or a large donation, then you may not need any ongoing tenancy agreement at all.



LILAC, Leeds, courtesy of Andy Lord ↑

4. Tenancy agreements

Whichever form of tenancy you choose, it is important to define how the rental or lease agreement works between yourself or the housing association responsible for managing the homes, and those living in the homes. This section will look at the types of agreements possible for rental and shared ownership housing.

Rental Agreements

Assured shorthold tenancy – This is the most common type of tenancy offered by private landlords and offers very little protection for tenants, who can be evicted easily for no reason. Given that most CLH groups are aiming to provide secure housing, it is assumed this tenancy will not be considered.

Assured tenancies - There are several options for assured tenancies:

- **Periodic fully assured 'Lifetime' tenancies** - This is the most secure tenancy, and generally means the tenant is able to stay in the home for the rest of their lives, as long as the tenant does not break the tenancy agreement and pays the rent. These are usually offered for social housing by both housing associations and local authorities. Depending on the tenancy agreement, the tenant may be able to pass this on to their family when they die. Tenants usually have the option to apply to move to a different suitable home or swap their home with another assured tenant if they both agree. Usually tenants can carry out some improvements on their home, but will need to ask permission to carry out major changes, for example sublet a room or erect an

outbuilding.

- **Fixed term tenancy** – This is an assured tenancy which lasts for a set period of time usually 5 years, during which the tenant cannot be evicted. The landlord and tenant then agree whether to renew after that time.
- **Starter tenancies** – These are usually 12 month tenancies offered to tenants before they are offered a fully assured tenancy, to see whether the tenant is responsible and can pay the rent. These tenancies are much easier to end by the landlord during this introductory period.

Shared Ownership Agreements

Shared owners own a percentage of a leasehold in their home, and pay rent on the rest to the freeholder, usually as a percentage of the value (e.g. 1.5-3% per year). The length of this lease is often 125 years, but could be up to 999 years, which effectively becomes permanent. With very long tenancies the only difference between them and freehold is that the lease agreement can contain legal agreements which need to be upheld by the leaseholder (resident), for example to only use the home as their primary residence or to not sell it on the open market.

Shared owners are responsible for all of the maintenance of their home, however small the percentage of the property they own. Usually the shared owner can't make significant changes to the home without permission, beyond painting and basic DIY, although there is no reason why the tenancy agreement could not allow a more flexible approach. This would need to be clearly laid out in the agreement.

Service charge – Also called a 'Maintenance Charge' or 'Estate Charge', this is a fee charged for maintenance of the communal non-housing parts of the site such as access

roads, fences or stairways etc.. All of this money should be spent on maintenance and not any other costs, and if the actual cost spent on maintenance is lower, the difference should legally be refunded. The service charge is usually the same across all houses, regardless of the size or percentage of the home that residents own.

Ground rents – Before June 2022, freeholders in England and Wales could charge leaseholders an additional ground rent, for which there was no service provided, and which applied even once the leaseholder owned the entire lease. This is no longer the case, and freeholders can only charge a nominal 'peppercorn' rent. Leaseholders who signed agreements before June 2022 may still have to pay ground rent.

Peppercorn rent: Peppercorn rent is a nominal or symbolic value, historically the payment of one peppercorn, effectively describing a rent of zero financial value. Whether landlords can legally ask you to pay one actual peppercorn is up for debate, although for obvious reasons most don't bother.

5. How does 'Affordable' Housing work?

Affordable Housing is defined as housing where a secure mechanism is in place to ensure it is affordable for the first occupier and all future occupiers. For housing other than social housing, this is defined as less than 80% of market value, either for the sale prices or rent. Most CLH groups choose to include at least some 'affordable housing' to allow those on low incomes the opportunity of secure housing, although not in every case.

What is actually affordable?

Affordable housing, has become a much abused word in the housing market. In many areas 80% of market value may not be affordable for even households on moderate incomes. This is often the case in rural areas where wages are low and houses are in high demand. Additionally even in areas of relatively low house prices, often the cheapest rents are well beyond the reach of those who rely on benefits or very low incomes, with private rents outstripping Local Housing Allowance in most areas.

Therefore many groups choose to create housing where the percentage is lower, reflecting on social housing levels or with rates based on household incomes. The Living Rent concept developed by the Joseph Roundtree Foundation defines affordable housing as that costing less than 35% of household incomes, which has been adopted by many CLH groups and housing charities. This can be done by either calculating a percentage of:

1. Average local household incomes – less complex but may miss those on very low wages, or...



↑ Housing People, Building Communities, Liverpool

2. Individual tenant's household incomes – more complex and less predictable but means housing is affordable for all (see [MHOS](#)).

This concept can also be applied to affordable ownership housing, with sale prices or shared ownership equity capped at a level where mortgage payments, rent & service charges are less than 35% of household incomes. Obviously this will need to be weighed up against the viability of the scheme. To have any houses at all, you need enough money in rents or sales receipts to pay back loans and a mortgage to make the project happen.

Allocating affordable housing

Affordable Housing which is funded by the government must, quite rightly, have a secure mechanism in place to ensure the homes are allocated to those that need them most. There is often an emphasis on prioritising people

who already live in an area but are not suitably housed.

Almost all new 'affordable' housing is subsidised in one form or another, usually from the government, or for CLH groups, sometimes from a third sector funder or from cross subsidies from market sale housing. The amount it costs to purchase the land, secure planning permission and build homes is simply not possible at the levels needed to be 'affordable'. See chapter 3 Funding for more detail.

Allocating housing to those in housing need is a condition of planning approval when homes are designated 'affordable', although how this is defined and works in practice is not always simple and varies across local authorities, and even within each authority area.

Who does this apply to?

If you are creating 'Affordable Housing' which meets government and local authority criteria, you need to have a very rigorous allocations process to ensure fairness, even if your organisation is entirely resident led. If meeting the 'affordable housing' criteria is not essential for you, for example you are able to fund the project entirely without grant funding, and have unrestricted planning permission for market value residential housing, you are free to create your own allocations policy, or not have one at all. Although if you are aiming to allocate housing fairly, then some of the below points may be useful to include.

Allocation criteria

All social and 'intermediate housing' allocations policies must include criteria on the points below (social housing is covered in further detail below) which defines who is an 'eligible person or household':

Affordability – this has three elements:

1. **Housing need** – Applicants must not already be suitably housed. Usually this means they are a first time buyer, not living in suitable housing, reforming a house after a relationship breakup, or need to move to the area for a specific reason such as work or caring responsibilities.
2. **Affordability** - Applicants must be unable to afford market value housing. This can be based on a set level of household income and capital savings.
3. **Financial** – Applicants must be able to afford the rent or mortgage levels being offered by the CLH organisation. There is usually a financial check associated with this.

Housing which has a funding or planning requirement to prioritise people with a local connection must include criteria which establishes whether someone has an existing connection to the local area and will usually include a number of the below criteria, ranked from most to least common:

- The applicant has lived in the area for a defined number of years (commonly 2-5)
- The applicant currently works in the local area/has worked in the area for a set period of time
- The applicant needs to move to the area to provide significant care, or receive care from a relative
- The applicant needs to move to the area to start work
- The applicant has lived in the area previously for a period of time
- The applicant has close family living the area
- The applicant is studying in the area

There are additional criteria which can be included in an allocations policy, which are not usually included in local authority policy, and will therefore need to be negotiated. Be aware that local authorities will often be suspicious of criteria which are seen to make the allocations unfair or exclusionary. Examples of additional criteria from CLH groups could include:

- **Commitment to ethos** - The applicant is supportive of the aims of the organisation or a particular ethos, for example environmental sustainability or cohousing.
- **Community contribution** – The applicant contributes to the local community, for example volunteers with organisations and is part of clubs or societies.
- **Involvement** – Applicants have contributed time and energy to the project itself. This is a way of encouraging people to get involved in the project's development.
- **Compatibility with other residents** – In a bid to ensure communities are cohesive, how well the applicant is able to get on with other existing residents
- **Self-build commitment** – Specifically for self-build schemes, an ability or commitment to get involved with the actual building
- **Being on the housing register** – The applicant is on the local authority housing register, showing they are in need of 'affordable housing'.
- **Skills and experience** – Having skills and experience to contribute to the organising and fill skills gaps, especially relevant where residents are responsible for the running the project.

Examples of allocations policies from CLH organisations

- [RUSS, London](#)
- [London CLT](#)
- [Lyvennet CLT, Cumbria](#)
- [Bunker Housing Co-operative, London](#)

Allocating Social Rental Units

Due to the high level of grant funding provided for social housing, the vulnerability of potential residents and the fact that demand massively outstrips the number of homes available, allocating social housing is usually less flexible than for other forms of 'Affordable Housing'. Although differing across local authority areas, social housing is usually allocated according to need in priority order, with applicants being placed in bands, and suitable homes being allocated from the top band to the bottom. This usually applies to social housing provided by councils and RSLs/RPs, and most areas have one combined list which is used to allocate housing across both. Housing associations will usually have an agreement with the local authority, agreeing the number of housing association properties which will be offered to those on the council's waiting list. The council may provide them with a shortlist, and the RSL/RP can select from within the shortlist.

Social housing must be delivered by the local authority or an RSL/RP, and therefore unless you are registering yourselves, a housing association will need to manage the social housing and nominate the new residents. If you become an RSL/RP yourself, you will need to agree

a process with the council which will dictate how many houses (possibly all of them) will be offered to the council to nominate applicants from their housing register.

Points of negotiation

One of the unique things about CLH is that it can reflect the needs of communities where the organisation has grown up from. Therefore many CLH groups have chosen to negotiate with the local authority to adjust the allocation criteria which would usually be enforced to better reflect their community's needs. There will always be a balance here between making sure the proposal serves the people it is aimed at, whilst aligning mainly with the local authorities own agenda. Below are some of the areas where CLH groups have decided to go against the grain:

Redefining 'the area' – Ordinarily 'the area' referred to in a local connection criteria will be a parish, ward or neighbourhood, or a group of them. Given that some CLH groups come together in a particular village or smaller geographical area, they may want to give priority to people from that specific place, rather than people from further afield. Additionally official boundary lines drawn around wards, neighbourhoods, planning areas or settlements may not actually reflect the lived reality in communities, for example there might be a particularly strong relationship between two neighbouring communities, but not with others in the vicinity. Or there may be two areas geographically very close, but which are separated by a boundary line.

The ability to veto applicants – In social housing allocations where the council has the right to nominate residents, or housing managed by a housing association, CLH groups may want to retain the right to veto applicants

they deem unsuitable, or nominate their own. The reasons for this might be to; retain more control of the housing, to ensure certain demographics they see as important to their community are provided for, or to ensure the cohesion with other neighbours and the wider community.

Limit the number of social homes the council can nominate applicants – As mentioned above, the council will likely want to nominate all of the social housing residents, as it will remove people from their list (which is always at bursting point), whereas CLH groups have argued for limiting the number the council nominates to for example 50% of the units, again to retain more control.

Reprioritising criteria – It may be felt by the CLH group that there is a particular need within their community which is not reflected in local authority wide policies. There is at least one example of a CLT removing priority for local employees in their allocation policy, and also vice versa, where a CLT in an area with low working age families, has prioritised those employed in the area, over existing or historical residents to encourage workers to move to the area.

How decisions are made

Deciding between eligible applicants can be tricky and you will need to design robust processes to do so, so that all applicants are assessed fairly against the same criteria. It is sensible to keep records of this, which may need to be audited by the local authority to ensure the system agreed is being followed.

Who is involved? - The decision should usually be taken by a committee or panel containing members of the CLH

organisation, existing residents, external non-biased individuals and/or members of partner organisations such as a partner housing association. This almost always involves an application form, and may involve some form of interview and sometimes a requirement to meet and spend time with other existing members and/or residents. It can involve the submission of evidence, for example; proof of residence or employment.

Shortlisting matrix – It can be a good idea to create a marking sheet to score applicants against a set of criteria which align with those in your allocations policy. These can be weighted in terms of importance, with housing need usually the highest priority. This will help to ensure that decisions are made objectively, and a paper trail is kept if ever needed.

Cascade – If it is not possible to find an applicant who meets all of the criteria in the allocations policy, it is important to have a system for who then gets offered homes, referred to as a disposal cascade. This could be that if someone from the defined area is not found, it is offered to households in the next closest settlements, then to applicants from the entire ward, then the entire local authority, and after this the house may be sold on the open market. Setting out a timescale in weeks for each step of the cascade is essential.

Time limitation – Where a disposal cascade does not exist, usually CLH organisations define a timescale to find an eligible household, after which the house can either be rented or sold on the open market, often a period of 8-12 weeks. This is to avoid rented homes being left empty or residents wanting to sell their homes waiting long periods because they are unable to find a buyer.

Mortgage in possession clauses – Mortgage lenders

(mortgagees) lending money to individual households or a CLH organisation may not be happy with having restrictions on who they can sell a home to, in the event that the mortgage holder defaults on their payments and they repossess the home. Therefore to allow residents to secure commercial finance, mortgagee in possession clauses are often included in allocations policies, which allow the mortgagee to sell the house on the open market. Whether or not the local planning authority will allow this, will depend on individual local policies, and if not, will be a matter for negotiation.

What is a housing association?

Housing associations are non-governmental providers of social, affordable rent and low-cost homeownership homes, they are usually non-profit, meaning the surpluses are used to fund more housing, or services. In England there are small number of for-profit housing associations, which is a small but growing sector of housing.

Some housing associations specialise in providing housing for specific groups (such as older people or individuals with disabilities) or working in specific areas (such as rural villages or urban estates). Some housing associations are very large and operate in many areas; however, most of them are much smaller and operate at regional or local levels.

Section 106 Agreements

The criteria you use for allocating affordable housing, will need to be drawn up into an allocations or lettings policy. This allocations process will need to be negotiated and accepted by the local planning authority, and then be drawn up into a Section 106 Agreement (see chapter 6 Planning Permission and Building Control), which will be legally enforced on the housing indefinitely, or until the council formally agree to change it, which is rare.

This will be based on both national policies; which define the overarching approach required, and local policies; which define the specifics and reflect the needs and priorities of specific areas. As mentioned these often vary depending on the area, for example rural areas and urban areas are regarded very differently. It can be worth looking at Section 106 Agreements for developments which have been approved by your local authority, to get an idea of what criteria and wording will be accepted.

6. Partnership options

You may decide that it is best for your organisation to partner with another more experienced organisation to deliver your project. This is usually a housing association or other RSL/RP, but can be another third sector organisation, a CLH enabling hub or even the local authority. Many CLH groups have worked in partnership to great success. There are a multitude of possible routes for this partnership to take, which will be influenced by the ownership of your site, how much funding you have, the capacity within your group and your aims and objectives.

We'll look at some of the benefits of the partnership route, as well as some challenges to be aware of, before highlighting some partnership options and some examples to look at.

Benefits and challenges of partnerships

Benefits

- Working with experienced organisations can bring in skills and expertise which might be missing in your organisation.
- The housing association will take on a big chunk of the work, which means there will be a smaller burden on your members.
- Housing associations are by definition RSLs/RPs and can therefore access government grant funding for affordable homes.
- Housing associations can borrow money cheaply and easily, potentially making the project costs cheaper overall.
- Housing associations have good track records and strong relationships with decision makers and other local authority departments, which can make the development process more streamlined.
- You may not want to manage allocations, tenancies and ongoing maintenance, which the housing association can do. Entrusting the allocations process to an external organisation, can mean those difficult decisions on who is allocated affordable homes are made in an unbiased and objective way.

Challenges

- Housing associations usually have a similar ethos and aims as CLH groups, but they may work in a very different way and at a different scale, which can lead to conflict.
- Many successful partnerships are based on a relationship with a particularly passionate or supportive individual(s) within the housing association, and if there is a change of staff, they may not have the same knowledge and understanding.
- Housing associations may not fully understand your vision, and aspects which are very important to you can be diluted or disregarded.
- Housing associations may want to maximise the density of housing, to increase cost-efficiency and provide the maximum number of homes, but this may not be suitable for the local community or your organisation's vision.
- Housing association homes must meet certain organisational or statutory standards, which are usually quite sensible, but there may be some design features important to you, which the housing association overrules on this basis. This can be the case with cohousing designs, where aspects such as car-free spaces, having shared gardens rather than private gardens, or having shared facilities such as laundry, do not fit within their standards.
- Although housing associations are usually non-profit, they will charge for their services or factor in a surplus, which they will use for future projects and to pay staff, which will increase the development cost. The efficiencies and cheaper borrowing may make up for this, but not in all cases.

Top tips for partnerships

- Make sure all agreements are in writing, however small. It can be easy to get caught up in the excitement when a relationship with individual staff in a housing association is particularly good, but if they leave the organisation (which is common) informal agreements may not be honoured.
- Try to retain some leverage in the relationship. The most successful partnerships are where the CLH owns the land or has secured the funding themselves, which the housing association needs, and gives the group the ability to negotiate on a more even basis. If the association owns the land and is providing the funding, it is only good-will which ensures they consider your vision or views, which can fade over time.
- Be informed and seek your own information when in discussions or negotiations with housing associations. You do not need to become housing professionals, but knowing enough that you can make good decisions is important. Seek your own professional advice where necessary.
- Find the right housing association, whose values and work you respect, and importantly who respect and understand your project and the CLH approach.
- Remain confident in your beliefs and vision, and if an aspect is particularly important to you, don't be afraid to stand your ground.
- Before you start engaging with the housing association be clear about what your vision and values are, and what are your non-negotiables, so everyone is clear from the beginning, and you do not waste time building a relationship which leads nowhere.

Below are some examples of partnership routes, alongside some successful case studies:

Partnership Route	Land and asset ownership	Successful examples
Housing association as developer and leaseholder	CLH group lease the site to housing association on a long term basis, who then develop and manage homes	Worth Matravers CLT, Dorset Powerstock and District CLT, Dorset St Minver CLT (second phase), Cornwall
Housing association as leaseholder	CLH own site and develop housing, which housing association then lease from them and manage	Threshold Centre, Dorset Bridport Cohousing, Dorset
Housing association as management agent	CLH own site and develop housing, which housing association then manage on their behalf	Buckland Newton Community Property Trust, Dorset Granby 4 Streets, Liverpool
Full Partnership	Both organisations partner throughout development	SCATA CLT, Northumberland Housing People Building Community, Liverpool
Housing association as Developer	CLH own site and procures housing association to develop homes, but manage them themselves	St Minver CLT (first phase), Cornwall Bristol CLT (Merry Hill), Bristol
TMO	Housing association own and develop homes, with a CLH group managing the homes through a Tenant Management Agreement	Loftus Village Association Housing Co-operative, Newport
Housing association as land provider (freehold)	Housing association sells site to the CLH group, who develop homes with or without housing association. These may be smaller, harder to develop sites which the Housing association owns but does not want to develop themselves	Princes Park Housing Co-operative, Liverpool North Ormesby CLT, Middlesbrough
Housing association as land provider (leasehold)	Housing association leases site to the CLH group on a long term basis	Redditch Co-operative Homes, Birmingham
No partnership	The CLH group completes the entire development and management themselves	Broadhempston CLT, Devon RUSS CLT, London Ashley Vale, Bristol LILAC, Leeds



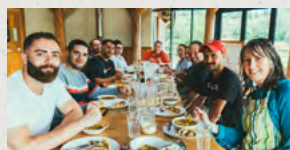
↑ Fishponds Road, Bristol CLT, Bristol

Community Led Housing:

How to Guides



Introduction



1. Organisation



2. Site



3. Funding



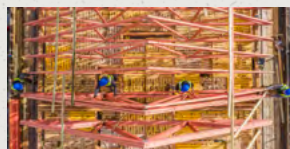
4. Business Plan



5. Tenure Model



6. Planning Permission and Building Control



7. Self-build



8. Design



9. Procurement Routes



10. Construction



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