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Reclaiming the Commons

“Community-led housing is a mere pimple when compared with the scale of the housing crisis”. These were the words of a national policy researcher at a community-led housing event last year. The researcher argued that we should be focusing on housebuilding by local authorities, housing associations, and developers. Even if we were to see higher numbers of self-build, housing co-ops, co-housing, and community land trusts, it would be meaningless when set against the scale of the problem. The sector has merely created a tiny niche, valuable to the few (mainly rural) communities they’ve supported, in a way that helps local authorities and housing associations make a small dent on their own targets.

I was struck by the derogatory metaphor of the pimple and wondered how one might engage with the type of thinking that elicited it. The researcher’s argument probably goes something like this: there is a need for at least three million affordable houses in the UK. This target translates into 300,000 homes built each year. The current estimated annual pipeline of houses built through community-led housing initiatives is 15,000. As this is just 5% of the annual target, community housing is clearly not able to make a significant contribution to our national housing needs.

We could respond by arguing that the current estimate of 15,000 could be increased to 150,000 with a series of significant policy changes. It might take five to ten years to create this shift, but the experience in other countries such as Austria, Denmark, and the Netherlands show it’s achievable. One example would be allowing local authorities to purchase land at agricultural value (£8,000 an acre) rather than at ‘market’ value (at least £1 million an acre), and then sorting out planning and infrastructure before inviting in a range of organisations including smaller building companies, housing associations, and community groups.

Clearly, then, there are ways of addressing the UK’s housing crisis in different ways, but still there is this resistance to change, including from those that one would expect to be backing change. Stephen Hill, a trustee of the National CLT Network, highlights this issue in a recent blog post, writing: “Terms like ‘niche’, ‘small is beautiful’, ‘alternative’ (to what?) are all tried and tested tactics used by those already in positions of power and influence for defining ‘the other’, and then marginalising ‘the other’ as a perceived threat to their interests: ‘the other’, in this case, being all of us citizens.”

One of the problems is that in the UK, community-led housing has emerged as practical, citizen-led action, rather than initially being generated as proposals by academics and think tanks. This challenges a prevalent attitude within the policy community that ideas come first, and then are put into practice before being further refined by the thinkers amongst us. A good example of this is the theory of change developed for the Friends Provident Foundation by Laybourn-Langton & Jacobs in 2017.

However, in the case of community housing, policy has followed practice by ‘outsiders’ in civil society organisations, contrary to this theory, which asserts that change begins with ‘insiders’ in academic and policy institutions. Looking back at the development of community land trusts in the UK, starting around 2001, the focus was very much on how to bring these practical approaches from the US and elsewhere to our own context. After these developments, policy followed in the wake of the early ‘demonstration’ projects, many of which my own organisation, Wessex Community Assets (WCA), were involved with.
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Individual projects that exist or are emerging within the sector? One way is to understand that all types of community-led housing initiatives are addressing the underlying issue of rent.

Monopoly Rent

"Land by its nature is scarce. A site in Mayfair cannot be reproduced like a pair of shoes. The monopoly rent it commands plays no productive role. It acts as a private tax on the productive economy. The question has always been what can be done about it."

These were the words of the late industrial economist Robin Murray, raising a question at the heart of efforts to build a new economy, including community-led housing. Murray pointed out that the problem of rent is largely overlooked, pointing to the financial crash of 2008: "It was a bubble based on fictitious expectations about the future value of land rents. Little attention has been paid to the source of the problem – the very existence and control of ground rent itself."

Murray also outlined the three ways that have been used to deal with the problem. Firstly, tax the increases in ground rent – the so-called betterment. Secondly, socialise ground rent through compulsory purchase by the state. And lastly, social economy approaches, especially community land trusts and garden cities with a common freehold.

He had a particular interest in the social and solidarity economy, and supported the work of Wessex Community Assets as one of the organisations that has brought the community land trust approach to the UK. This work has been on-going for two decades and provides an illustration of how the...
community-led housing sector has developed over the last 20 years.

From 2000-2010, WCA pioneered the development of 'stand-alone' Community Land Trusts (CLT), working particularly in Devon and Dorset. These initiatives included High Bickington Community Property Trust, Buckland Newton CLT, and Worth Matravers CLT. This work was a 'proof of concept' that, alongside the work of a small number of other pioneers, led to the creation of a national CLT fund, a national CLT network, and a legal definition of CLTs in the 2008 Housing and Regeneration Act.

From 2011-2020, WCA developed a 'CLT-Housing Association Partnership' model, which sought to address the challenges that stand-alone CLTs faced in accessing development finance and project managing complex construction projects. With funding from Carnegie-UK Foundation, Tudor Trust, and the Esmée Fairbairn Foundation, WCA was able to create an enabling hub providing support to CLTs in Devon, Dorset, and Somerset.

For a brief period, from 2013-2015, this model worked well, with 12 CLT projects completed and fees reclaimed from four housing association partners. However, since 2015 the time taken to complete CLT projects has increased from three years to six years, primarily because of increasing difficulties in finding land, securing planning permission, and drawing down capital grants. This has led to a wider questioning about whether there has been an over-reliance on one particular model of community-led housing.

For example, working with housing associations shifts the focus from affordable home ownership to social rented housing. Of course, there is high demand for genuinely affordable rented accommodation, and for some communities this will be the priority need. However, there has been less focus on the potential for 'intermediate market' housing solutions, for those in housing need but who are ineligible for housing association properties.

When CLTs were introduced to the UK, the initial aim was to lease land to limited equity co-ops or co-housing groups, which would then develop the properties.

There is also the issue that CLT partnerships lead to housing associations securing the capital grants for the housing and then holding these assets on their balance sheets. As a result, the CLT trust sector has not been able to build its strength as an independent movement and is dependent on revenue grant funding.

For Wessex's third decade of innovation in housing, while acknowledging the benefits that have resulted from working with housing associations, we propose to address the limitations of the stand-alone CLT and CLT-RP partnership model.

Firstly, we have created the Wessex Community Housing Hub, which will provide support to the full range of community-led
housing approaches, including affordable self-build, co-housing, co-operatives, and almshouses. We are also working with partners in Mendip and Torbay to develop a purchase and refurbishment model, linked to social lettings agencies working with people experiencing homelessness. This model could be extended for a wide variety of groups in housing need. WCA will explore whether, in some cases, it could take on the role of raising finance and purchasing the dwellings, thus building up an asset base of its own.

WCA is also exploring the potential to create micro-houses for two purposes. Firstly, to provide appropriate accommodation for entrenched rough sleepers who do not want a ‘bricks and mortar’ solution; secondly, to provide low-impact dwellings for regenerative agroforestry smallholdings.

Another part of our development is exploring the feasibility of WCA creating a secondary structure, with Registered Provider status, co-owned by community housing group partners. The aim will be to provide professional support and access to finance at the development phase of community housing projects, and for the housing assets created to be co-owned – on an equity-share basis – by the community-led groups that are supported. In addition, we are exploring the feasibility of a mutual home ownership society (MHOS) model of development, as advocated in the original proposals for developing community land trusts. For example, Yorspace has raised £420,000 through community shares to secure land which will be held in trust and then leased to a MHOS co-operative.

With 28 community housing hubs now established across England and Wales, there is significant innovation happening in the sector. In many practical ways, community-led housing is addressing the underlying problems that fuel the housing crisis and finding ways to counter the undermining of the social and the environmental elements of our lives by the mainstream economy. Hopefully, the sector can build stronger alliances with policy makers, local authorities, and other supportive organisations, and reach that total of 150,000 homes a year by the end of this decade.