



COMMUNITY LAND TRUSTS AND COMMUNITY LED DEVELOPMENT IN ENGLAND

BRIEFING FOR MPs, AUTUMN 2024

INTRODUCTION TO CLTs

Community Land Trusts (CLTs) are not-for-profit organisations that own, steward and develop land for the benefit of their local community. They are run democratically by their members, and anybody who lives or works in their area can join. There are over 360 CLTs across England and Wales. The Community Land Trust Network is the official charity supporting CLTs in England and Wales.

CLTs own over 2,000 assets, mostly affordable homes but also green space, retail and work space, community centres, energy generation, shops, food banks and other assets. CLTs are working on projects to build another 7,000 assets, with social housing being the most common focus.

Most CLT projects are partnerships with housing associations, developers and/or councils. Typically the CLT leads on negotiating with landowners, making key design decisions, securing local support, and then stewarding the land and assets to protect them in perpetuity. In a significant minority of projects, CLTs also raise the finance and develop directly, and manage homes and other assets themselves. Most have bought land that was previously owned privately, but public land has been an important source particularly in urban areas.

CLTs are one form of community led development, including community led housing. The wider community led housing sector also includes housing co-operatives, cohousing communities and other approaches, sometimes in combination with CLTs. CLTs also have other interests, such as stewarding land for biodiversity and farming, which we do not cover in this briefing.

PUBLIC POLICY BENEFITS

Following our advocacy, Community Land Trusts are defined in law, and community-led development is recognised in the National Planning Policy Framework.

The Housing Minister, writing to the CLT Network, stated:

“community-led housing delivers a wide range of benefits, including additional housing supply, engendering community cohesion, achieving high-quality design and strengthening the co-operative economy. The strength of local support that community-led housing proposals often attract enables sites that are unavailable to – or unviable for – mainstream commercial developers to be brought forward for housing development.

“We recognise that the community-led housing sector in England currently remains very small in comparison with many other European countries and that this is likely to represent a significant loss of potential housing supply.”

The key government policies that community-led development can assist with include:

- **Increasing social house building.** Three quarters of CLT homes built, and in the pipeline, are let for social or affordable rent, and are protected from the Right to Buy and Right to Shared Ownership. CLTs have been adept at providing additional supply in rural areas and on smaller urban sites overlooked by other providers; winning community support in sensitive locations such as the Green Belt and National Parks; and increasing the proportion of social rent homes on larger schemes initiated by others. Shelter [has endorsed](#) our suggestion that CLTs could provide as many as 6,500 social rented homes a year with an ambitious package of reforms.
- **Building community wealth.** Community-led development gives local communities new tools to play a part in our national renewal. They can build assets, but also agency, capability and wealth. CLTs are overrepresented in the most deprived parts of each region of England. One in four have developed other infrastructure alongside housing including community centres, workspace and renewable energy generation.
- **Diversifying the housebuilding industry and raising quality.** The potential for community-led development has been recognised by ministers, by the Radix Housing Commission chaired by Kate Barker, and in recent years by the Bacon

Review and the Building Better Building Beautiful Commission. A more diverse and competitive industry, with a greater focus on quality, will be essential to build 1.5 million homes in this Parliament.

ASKS OF THE GOVERNMENT - FOR MHCLG

The CLT Network [published its manifesto in February 2024](#), setting out a vision and policy programme to rewire the system to make community led development and land stewardship mainstream. Of the ten policy proposals, the following align with current government priorities in the areas of housing and development.

PLANNING AND LAND REFORMS

CLTs don't want to water down the planning system - they welcome high standards and requirements for e.g. genuinely affordable housing. But as the Competition and Markets Authority concluded [in a detailed study \(PDF\)](#), the length and uncertainty of the planning process, and the complexity, cost and information requirements, are significant barriers for smaller builders including CLTs.

The government could reduce the uncertainty, and incentivise opportunities for community-led development, through changes to the National Planning Policy Framework:

1. Apply the community-led exception site policy to sites within as well as adjacent to settlements, helping communities to develop e.g. disused garages and gently densify with local support.
2. Enable small sites, and portions of large sites, to be allocated for community-led development, and introduce a process by which communities can make these proposals.
3. Require that amenities not adopted by councils in large sites are adopted by democratic, not-for-profit community organisations such as CLTs.
4. Reverse the change to the definition of affordable homes for rent, introduced in 2018, which required landlords to be Registered Providers, which excludes many very local community landlords and almshouses.

The government could reduce the complexity and cost of information requirements for applicants in the Planning and Infrastructure Bill. The best way to do this is for Local Plans and Design Codes to provide much more clarity on what will be permitted, tackling issues such as biodiversity, ecology and parking at the neighbourhood level so applicants can focus on the design and tenure of buildings.

The government's proposed Community Right to Buy in the English Devolution Bill could [widen the scope](#) of the existing right to bid in two ways: to encompass economic and environmental benefits as well as social; and to enable the development of new valuable assets, as well as saving existing ones, recognising that affordable housing is also a valuable local asset. The same scope should be applied to the Community Ownership Fund.

FINANCE

In most cases, CLT projects need two kinds of finance:

1. **Pre-development finance** - to search for, investigate and secure land/buildings, and to work up and submit a planning application if required. This is particularly hard to come by.
2. **Development finance** - to acquire the land and develop any new homes or other assets on the land. CLTs can often access commercial loans and social investment, but the costs could be lowered.

We have proposed several ways in which the government could improve access to finance.

Renewing the Community Housing Fund (CHF) could provide pre-development grants to help projects come forward, and fund regional enablers capable of supporting them. In a recent review of projects that received CHF grants between 2018 and 2021, we found that at least 4,222 are completed or in progress, with two thirds either completed, under construction or with a secure site and a planning consent.

The Government will be designing the next Affordable Homes Programme (AHP), as the current one ends in 2026. Almost all projects funded by the CHF go on to apply for capital grants through the AHP, and the capital grant required is usually reduced in proportion to the CHF grant already received. The principles behind the CHF could be incorporated into the next AHP, creating a way to generate pipeline, particularly in areas that Homes England struggles like rural social housing.

The Government can also continue to invest capital into funds that provide equity and repayable finance for community led projects. The previous government pledged £20m in the Spring Budget 2024 but this has not yet been released. We have also developed a proposal for a Rural Social Housing Fund, requiring c.£10m to bring forward 1,000 homes, providing the missing 3% of pre-development finance to lever in the remaining 97% of capital provided by partner housing associations.

REGULATORY REFORMS

The government has pledged to stamp out the abuse of leasehold, and reform commonhold so it can become the default tenure for blocks of flats. We support both objectives.

But leasehold is an important tool for CLTs to develop and steward affordable homes, protecting them in perpetuity. Parliament has recognised this in recent years with cross-party support, exempting CLTs from the ban on ground rents in the Leasehold Reform (Ground Rent) Act 2022; exempting CLTs from the ban on leasehold houses in both Homes England's Capital Funding Guide and in the Leasehold and Freehold Reform Act 2024; and in the latter act also enabling CLTs to protect affordable homes from leasehold enfranchisement.

We want the government to continue with this approach, tackling the abuse but ensuring CLTs can continue to make ethical use of leasehold. Reforms to commonhold could also ensure it is compatible with leasehold.

There is also an opportunity, mentioned under planning reform, to address issues with the system of social housing regulation for micro providers with fewer than 50 or so homes.

Currently, landlords of low rent homes need to be Registered Providers to meet planning requirements and access Homes England/GLA grants. The Regulator of Social Housing, which registers and regulates them, claims it takes a proportionate approach, and takes a lighter touch to the ongoing regulation of 'small' providers with fewer than 1,000 homes. But we - along with the Almshouses Association and other networks of micro providers, have found that the registration process, ongoing regulation and annual fees are disproportionate and a significant barrier. For example, the RSH's fees represent a cost of £0.65p per tenant for a 999 home landlord, but £325 per tenant for the smallest CLT. We would like to see a much more proportionate system of regulation introduced for micro providers, and policy such as the NPPF and legislation governing capital grants to be made more flexible.

FURTHER INFORMATION

For any enquiries, or for a discussion about CLTs, please contact our CEO, Tom Chance, with tom@communitylandtrusts.org.uk.