



# NPPF CONSULTATION RESPONSE, SEPT 2024

## INTRODUCTION

The Community Land Trust Network is the official charity supporting Community Land Trusts (CLTs) in England and Wales. We are a membership body and represent 360 CLTs with over 2,000 affordable homes and other assets, and which have plans to deliver 7,000 more homes.

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.
- **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 improving build-out.** 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.

We welcome recognition of community-led development in the National Planning Policy Framework, and make the following proposals to increase the number of additional homes delivered by the community-led housing sector. Paragraph references refer to the draft new text.

## RESPONSES TO CONSULTATION QUESTIONS

**Question 47:** Do you agree with setting the expectation that local planning authorities should consider the particular needs of those who require Social Rent when undertaking needs assessments and setting policies on affordable housing requirements?

**Question 48:** Do you agree with removing the requirement to deliver 10% of housing on major sites as affordable home ownership?

**Question 49:** Do you agree with removing the minimum 25% First Homes requirement?

Yes, to all three. CLTs set out to build homes that meet the needs of their local community. These needs vary considerably across England. It is inappropriate for national policy to determine that tenure mix. It would also be helpful to have a proper assessment of the needs of social rented housing at a community level, across England.

We would propose some further changes to support these:

1. Amending paragraph 20(a) to read 'housing (including **the full range of** affordable housing)'.
2. Amend paragraph 61 to read 'that the needs of groups with specific housing requirements, **including for affordable housing**, are addressed'.
3. Amend paragraph 61 to clarify that affordability is related to, or determined by, the relationship between local incomes and rents/prices. This is reflected in the standard assessment of housing need, but is not reflected in the definition of affordability, which has lost all credibility with communities as a result.
4. Amend the definition of 'Affordable housing for rent' to clearly distinguish between Social Rent and other forms of affordable rent; to define these in terms of relationships with incomes, as Lord Best proposed in the Affordable Housing Commission; and require that provisions are made to ensure the homes remain affordable for future eligible households. We have made a proposal along these lines in answer to question 57.

**Question 51:** Do you agree with introducing a policy to promote developments that have a mix of tenures and types?

Yes. However, we would like to see all forms of self-commissioned housing included in this.

Currently paragraph 63 requires this mix of needs to be assessed, and includes demand for people wishing to commission or build their own homes, but not groups wishing to pursue community-led development. We propose it is amended as follows: 'people who rent their homes, ~~and~~ people wishing to commission or build their own homes, and groups wishing to pursue community-led development of homes'.

Paragraph 69 should also cover this, so that it would say 'plots sold for custom or self-build or community-led development'.

Paragraph 66 could also create an expectation that major development meets some of the identified local need for people to commission or build their own homes, and groups wishing to pursue community-led development of homes.

**Question 54:** What measures should we consider to better support and increase rural affordable housing?

Community-led development has been responsible for a significant uptick in rural affordable housing, particularly social housing. This is most marked where we have been able to develop the financing, partnerships and delivery capabilities, as well as the right local planning policy context.

### **Affordable housing requirements on small sites**

We propose that paragraph 65, exempting small sites from affordable housing requirements, is deleted. It is an arbitrary policy that makes assumptions about viability, and has a particularly damaging effect on the supply of rural affordable housing where small sites are often the predominant form of development.

If it is retained, the paragraph should be amended as follows: 'other than in ~~designated rural areas~~ rural communities with populations of 3,000 or fewer and in all National Parks and Areas of Outstanding Natural Beauty' because the designated areas are too tightly defined. Alternatively, designated rural areas could be redefined in this way. In

these small communities, small sites may be most or all of the supply, and excluding a requirement for affordable housing leaves them with no additional supply and contributes to land value expectations that undermine Rural Exception Sites.

Related to this, text could be added to follow paragraph 58 stating that s106 contributions will not be sought for small sites providing 100% affordable housing, except for those that relate specifically to the development of the site. While sub-paragraph 58(c) should ensure this proportionality is applied, in the experience of our members, contributions to e.g. health and education are still sometimes sought which delay and make unviable schemes providing homes for people already in the parish and already using those services.

### **Weight for Community-Led Development in protected landscapes**

One issue in some rural areas is the great weight given to conserving and enhancing landscape and scenic beauty in National Parks, the Broads, AONBs and Heritage Costs, and related protections for the Green Belt. This protection is important, and our members in these landscapes would not want to see it weakened, opening the door to inappropriate development. But there is no equivalent weight given to the needs of communities living in those landscapes. If they need additional genuinely affordable homes to meet the needs of people already resident or with a local connection, this should be facilitated by the planning system.

National Parks and the Broads Authority have strong statutory duties to protect their landscapes, but they also have duties to foster the social and economic wellbeing of the local communities. AONB authorities have no equivalent social or economic duties, and while some (such as in North Devon) have generally recognised the social and economic needs of those communities, others have at times objected to much-needed social housing on the grounds of landscape impact alone.

The Government's vision and circular on National Parks and the Broads makes clear that affordable housing should be supported in these areas, and states the Government's "expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services"<sup>1</sup>. This is precisely the kind of development that community-led applicants propose, led by and supported by the local community, to meet existing local needs and secure the sustainability of their settlement. But the NPPF protection sometimes leads to planning

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<https://www.gov.uk/government/publications/english-national-parks-and-the-broads-uk-government-vision-and-circular-2010>

officers recommending against community-led development of this kind because of the weight given to landscape protection.

We would therefore like to see the NPPF give equal weight to landscape protection and the needs of the local community, without weakening the protection afforded to these landscapes from other inappropriate development.

We propose, after para 182, to add: "**Community-led developments of affordable housing in communities with housing affordability pressures within National Parks, the Broads, Areas of Outstanding Natural Beauty, Heritage Coasts and the Green Belt should be given great weight.**"

### **Market homes**

Landowners - encouraged by agents - are prone to exploiting a perceived ambiguity in the policy regarding the inclusion of market housing in rural exception sites. One simple way to address this would be, through an NPPF policy, guidance or an NDMP, to require that local planning authorities set a Benchmark Land Value for exception sites.

Guidance could indicate a starting point of £10,000 per plot, or up to five times Existing Use Value, but it would be best if LPAs used this, and local market evidence, to set the right local benchmark.

While the NPPF recognises a proportion of market homes may be included in exception sites to make them financially viable, it doesn't recognise the role that market homes can play in securing land opportunities. Several CLTs have struck deals with landowners whereby the farmer gets to build/receive a couple of homes for their family alongside the affordable homes.

So in Annex 2, glossary, add: "Rural exception sites:... for example where essential to enable the delivery of affordable units without grant funding *or where landowners need to be incentivised by providing them with a dwelling or plot without compromising or adding to the cost of the provision of affordable housing.*"

We would support proposals for an exception site 'planning passport', which could separate the principle of development in terms of location, size and tenure mix, from later detailed matters. This could reduce risks and costs for the applicant and planning authority, both barriers to small-scale rural development.

We also support calls for a National Development Management Policy for Rural Exception Sites. Recent research found they are only being used in one in six rural

planning authorities<sup>2</sup>, and a national policy drawing on best practice could increase its use by a range of providers including community-led developers.

**Question 56:** Do you agree with these changes? [to the definition of community-led development and the size cap for community-led exception sites]

Yes.

### **Definition of Community-Led Development**

On the definition, we would propose the following further amendments:

Community-led developments: A development ~~instigated and~~ taken forward by **or with** [1] a not-for-profit organisation set up and that is primarily for the purpose of meeting the **housing social, economic or environmental** [2] needs of its members and/or [3] the wider local community, rather than being a primarily commercial enterprise. The organisation is created, managed and democratically controlled by its members. It may take any one of various legal forms including a community land trust, housing co-operative and community benefit society. Membership of the organisation is open to all beneficiaries ~~and prospective beneficiaries~~ [4] of that organisation. The organisation should own, manage or steward the homes in a manner consistent with its purpose, for example through a mutually supported arrangement with a Registered Provider of Social Housing. The benefits of the development to the specified community should be clearly defined and consideration given to how these benefits can be protected over time, including in the event of the organisation being wound up.

[1] This reflects cases where a development is instigated by another party - typically a landowner, private developer, housing association or council - and a community-led organisation becomes involved as a partner. The community-led component could be the whole development, or a portion. For example, Kennett Garden Village is a community-led development of 500 homes, in which a CLT has been a partner from the early stages of masterplanning and will own 60 homes and all the open space and amenities, but it could be said that it was instigated initially by the private landowner and local authority.

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<https://www.ucl.ac.uk/news/2024/feb/only-one-six-rural-councils-made-use-affordable-housing-option>

[2] Community led developments aren't always exclusively for housing, and organisations often have a wider set of purposes. For example, Calder Valley CLT is currently pursuing the development of an enterprise centre with 23 affordable office units and 19 affordable homes. This amendment is particularly helpful in relation to the community led exception site policy in providing a further distinction between those and rural exception sites, which are purely for housing.

[3] We support this proposal from the UK Cohousing Network which clarifies that not all community-led housing groups have meeting the wider needs of a local community as their primary aim. Groups may form to meet their own needs, and may or may not have additional vacancies for first occupants to meet the needs of the wider community local to that site.

[4] We support this proposal from the UK Cohousing Network which clarifies that, for most cohousing communities (and housing co-operatives), prospective residents are not able to join as members on the same terms as current residents and cannot comprise a majority that takes control of the organisation.

### **Community-led exception sites**

On the size cap for community-led exception sites in footnote 39, we support this proposed amendment as an improvement on the existing text. A number of community-led developments exceed the current cap, particularly when providing new publicly accessible open space or meeting high housing pressures in the local area. However, we would prefer for the NPPF to take a more flexible approach not requiring a specific limit to be set in a development plan. We propose that footnote 39 be deleted, leaving the local planning authority to determine through policy or decisions whether an application is 'proportionate in size'. Local policy could clarify this, and the application of the exception site 'planning passport' could further reduce cost in risk in testing the principle of a particular application.

We also note that some community-led developments have exceeded the size of 1ha but fallen under the threshold of 5% of the existing settlement because they include land for non-residential, or non-building uses. For example, a CLT scheme in South Molton, North Devon, uses 1.8ha but when you exclude the land for green infrastructure, bat corridors, surface retention ponds, easements for utilities etc the built-upon land is less than 1ha and the number of homes is less than 5% of the existing settlement. A CLT scheme in Stretham, East Cambridgeshire, had a site area of 5.62ha but the new homes represented 2.7% of the existing household population; most of the land was for a new village green and publicly accessible woodland walk. It is not clear

whether such schemes are permissible under the cap. Guidance clarifying this, and ideally defining it in terms of built-upon land, would be welcome.

We would also ask that paragraph 74b to apply the policy to land within settlements as well as adjacent to them. Paragraphs 70 and 73 already make general provision for the allocation of small sites, and decisions on windfall sites, both within and adjacent to settlements. The requirement in paragraph 74b to not compromise protections for important assets apply equally within and adjacent to settlements - to AONB landscape and open spaces within urban areas, and so on.

There is no reason why the policy should be any more of a threat or problem within or adjacent to settlements. But there is good reason to think the opportunities apply in both cases. Indeed, in its response to the previous consultation in December 2023 the Government stated that the policy was introduced to *'address the concerns of respondents who felt that it should be more straightforward for community groups to bring forward affordable housing in urban areas'*<sup>3</sup>. Community-led development of infill sites has proven capable of increasing supply on land such as disused garages, poor quality open space, intensifying existing buildings, and back gardens. In all cases potentially controversial development has been designed with, and led by, local people. But despite paragraphs 70 and 73 these sites still carry considerable planning risk, and it can be challenging to acquire sites at a cost that makes affordable housing viable. The purpose of the community-led exception site is to give weight to proposals that come from the community and that will meet local needs, and to permit development that would not normally be permitted outside of a site allocation. In so doing, similar to rural exception sites, it can help bring land forward at a lower value, compatible with achieving - for example - a higher number of social rent properties with less grant. It also reduces planning risk and cost, and so improves access to finance; these three factors are critical barriers for undercapitalised community-led developers.

As it stands, despite the government's statement from December last year, the current policy does nothing to make it more straightforward for community groups to bring forward affordable housing in urban areas.

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<https://www.gov.uk/government/consultations/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy/outcome/government-response-to-the-levelling-up-and-regeneration-bill-reforms-to-national-planning-policy-consultation#chapter-5--a-planning-system-for-communities>



## **NDMP for Community-Led Development/CLES and RES**

We think National Development Management Policies for community-led exception sites and rural exception sites would be beneficial.

These could draw on RES and CLES policies adopted by the handful of LPAs with a good track record of delivery, and from the officers, RPs and CLT enablers who have been involved with that delivery. They would improve opportunities across the great majority of LPA areas where the LPA lacks expertise and capacity, and where there has consequently been much less delivery. The patchwork of inconsistent approaches to matters such as what constitutes 'rural', when market housing is permitted and what benchmark land values to expect adds to the complexity, cost and uncertainty of developing these exception sites.

An NDMP for CLES could expand upon the points above. It could also provide guidance on the circumstances when sites would be suitable for a community-led exception site and not for a rural exception site, protecting the latter as a vital source of affordable housing for rural communities. For example, in the Government's response to the previous consultation in December 2023 it stated that in the context of this policy '*we recognise that the development may include other supporting land uses*', but this is not explicit in the NPPF text or any guidance. A NDMP could expand upon the range of land uses that may be supported through a community-led exception site, which would lead to circumstances where a rural exception site would not be a suitable policy mechanism. The consultation response also, as noted above, referenced urban contexts, but this is unclear or ruled out by the NPPF text.

We propose that one or more NDMPs could clarify the relationship between exception site types as follows:

- RES = sites adjacent to or within rural settlements, assumed to be 100% affordable with provision for some market housing where this is needed to make the scheme financially viable.
- CLEs = in a rural context, sites that provide broader proposals to meet communities' needs including non-housing assets that would not qualify as a RES; and in an urban context, other sites adjacent to larger settlements and within settlements.

This distinction would be further aided by amendment [2] to the definition of community led development.

## Community stewardship

The NPPF consultation does not ask specifically about policies relating to the stewardship of assets. But this is an area that requires reform.

For example, paragraph 75 which requires larger scale development to include 'set clear expectations for the quality of the places to be created and how this can be maintained'. The Competition and Markets Authority determined, in its final report this year, that the current private management arrangements, which are the dominant form, are causing significant detriment to consumers<sup>4</sup>. It recommended that all assets be adopted, managed and stewarded by local authorities, ending the use of private management companies. In rounds of consultation in 2017<sup>5</sup> and 2018<sup>6</sup> and in subsequent responses to the consultations previous governments committed to tackling these problems, which have also been raised by many MPs. But the NPPF has not changed to address this issue.

We think the NPPF, and associated guidance, could require that management arrangements address the principles and issues outlined by the CMA. This should include that the management body is accountable to those paying the charges, and is controlled democratically by local residents (whether only in the new estate or including the wider community, as in a local authority or community land trust).

We also think the NPPF could make more use of the definition of community-led development, which includes community stewardship, to promote this option for larger developments and more generally. As noted under questions 70 and 78, there is strong evidence that community-led approaches can not only be effective management arrangements, but can also contribute to healthier and more environmentally sustainable communities.

**Question 57:** Do you have views on whether the definition of 'affordable housing for rent' in the Framework glossary should be amended? If so, what changes would you recommend?

Yes.

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<sup>4</sup> <https://www.gov.uk/cma-cases/housebuilding-market-study>

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<https://www.gov.uk/government/consultations/tackling-unfair-practices-in-the-leasehold-market>

<sup>6</sup> <https://www.gov.uk/government/consultations/implementing-reforms-to-the-leasehold-system>

## Definition of affordability

The definition of affordability in relation to 80% of market rents is widely discredited. In many areas where CLTs wish to develop affordable homes for rent, this threshold is unaffordable to anybody claiming housing benefit and to anyone on a lower quartile wage or the national minimum wage.

In many rural areas, local wages in a given parish may also be significantly lower than across the district or county on average, and lower than the Broad Rental Market Area levels for housing benefit. So rents will need to be lower still in those areas in order to be genuinely affordable to tenants. Rents set at a 20% discount against the district/county/BRMA average will be too high.

Most CLTs prefer to develop social rent homes, or to establish a rent-setting policy in relation to evidence of local wages. Some have adopted 'living rent' policies, aiming to help those unlikely to be eligible for social housing but whose incomes are nonetheless too low to access affordable homes in the private sector and with rents below Local Housing Allowance Rates. A recent study by Dr Tom Archer, Ian Wilson and the Nationwide Foundation found that 9 in 10 community led homes - including those built by CLTs - cost residents no more than 35% of local household incomes<sup>7</sup>.

The effect of the current definition of affordability is twofold:

1. It permits the development of 'affordable housing for rent' that is not affordable, a contradiction that undermines public trust in the planning system;
2. It can inflate land value expectations based on the higher rental income, making it harder for applicants like CLTs to acquire land to develop genuinely affordable housing for rent.

We would therefore propose the following change to this clause in the definition:

“(a) the rent is set in accordance with the Government’s rent policy for Social Rent or Affordable Rent, or **in accordance with evidence of local incomes** ~~is at least 20% below local market rents~~ (including service charges where applicable);”

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<https://nationwidefoundation.org.uk/wp-content/uploads/2024/01/Affordability-of-Community-led-Homes-FINAL.pdf>

## Registered Provider status

We propose to reverse the change to the NPPF in 2018 that implied, through the glossary definition of affordable housing for rent, that only Registered Providers can provide such housing.

We understand and fully support the Government's drive to improve the regulation and oversight of affordable housing for rent, and agree that in the main providers should be registered with the Regulator of Social Housing. But unregistered landlords have long provided an important service, and local authorities have been minded to grant planning permissions and offer capital grants where they deem the provider meets an appropriate standard.

Registering with the regulator is an onerous, time consuming and expensive process for very small, volunteer-run organisations, especially those just starting up. The annual fee, now at £600, can also be prohibitive for organisations developing a very small number of homes. One CLT began with two homes, which means it has to collect £300 from each tenant to cover the fee. We have raised this issue but the regulator declined to make any accommodation. The regulatory system is simply not set up for micro-sized providers like these. It is a particular issue for start-ups in urban areas, and for small locally-rooted providers in small rural communities that are unlikely to ever develop a stock larger than 10 or 20 homes.

The timing of the registration system, and of planning decisions, can also create a catch-22 situation. The regulator requires that new registrants are 'intending providers', and states in its guidance: 'the regulator would not expect to register an applicant if their business plan forecast shows a period of longer than 12 months after registration before the applicant will become a provider of social housing.'<sup>8</sup> It is extremely unlikely that a CLH group could apply for and obtain a planning consent and then start and complete the construction within 12 months of registration. So it is very unlikely that a group working on its first project could present to a planning authority as an RP, only as one part-way through the application process. Planning authorities may take the view that this is insufficient, given the risk that the application is rejected. Indeed, this situation has recently arisen with a new housing co-operative, Gida, which was set up to take 58 homes on a large scheme in Haringey developed by Peabody.

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<https://www.gov.uk/government/publications/register-and-de-register-as-a-provider-of-social-housing/guidance-for-new-entrants-on-applying-for-registration-as-a-provider-of-social-housing#intending-providers>

Local planning authorities have previously permitted non-registered landlords to qualify, either on a case-by-case basis or with reference to a local policy with appropriate tests. For example:

- Leeds City Council accepted a number of community organisations onto its affordable housing list as long as they have been approved in writing by the Chief Planning Officer, who would test they are financially robust, committed to future investment in the city, can protect affordability in perpetuity, and have satisfactory management in place. This has included Leeds Community Homes, a CLT that has taken 19 affordable homes as part of the s106 agreement with a private developer.
- Scarborough Borough Council recognises non-Registered Providers such as independent local charitable trusts in their 2022 Affordable Housing SPD, whereby they expect equivalent arrangements to affordable housing as provided by a Registered Provider, giving Almshouses as an example.
- Glendale Gateway Trust, a CLT in Northumberland, developed and managed 4 homes while unregistered. This developed the organisation's capacity, expertise, policies and procedures which put it in a good position to later register with the regulator ahead of developing a further 18 using Homes England funding.
- Seavingtons CLT in Somerset was gifted 3 homes for rent by a local landowner developing homes on his land and uses a local managing agent to look after the properties and tenants. It has no further development plans and very little capacity to engage with the registration process.
- Not a planning matter, but Bristol City Council will provide capital grants to non-registered providers subject to their meeting some Management and Governance standards. These are based on the RSH's 7 standards but with a lighter touch and an emphasis on self-certification<sup>9</sup>.

To maintain the spirit of the current policy, but provide planning authorities the leeway to exercise their judgement and thereby facilitate valuable additional supply, we propose, in Annex 2, glossary, to add: "the landlord is a registered provider *or other non-profit provider deemed appropriate by the local planning authority*".

Guidance could help LPAs interpret this. For example, it could require that providers sign up to a suitable ombudsman scheme, providing a clear and independent complaints process. It could also point to one or more suitable sets of standards, or

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<https://www.bristol.gov.uk/council/policies-plans-and-strategies/housing/community-led-housing-policies>

codes of conduct, such as those drawn up by Bristol City Council, or the Standards of Almshouse Management.

**Question 58:** Do you have views on why insufficient small sites are being allocated, and on ways in which the small site policy in the NPPF should be strengthened?

Yes. Our research and experience, and the conclusions of the Competition and Markets Authority, suggest a number of factors from the point of view of the local planning authority:

1. **Resources.** Capacity is strained in LPAs already, and the amount of work involved is a barrier. The LPA needs to identify the sites, establish ownership, study technical constraints and opportunities, consult and then process the significant volume of public comments, and then defend them in the local plan examination. It is less work to do this with fewer, larger sites. This can be mitigated by effective partnership working with local or regional SME forums, but this depends on landowners and developers having the time to engage in this way without knowing if it will result in new site opportunities.
2. **Politics.** Consulting on dozens of small sites can also ignite more local opposition, particularly if there is nobody other than planners voicing the contribution those sites might make to meeting local needs.
3. **Affordable housing.** There is less incentive to allocate sites with fewer than 10 homes where there is no obligation to provide affordable housing, and small sites above 10 homes may still not generate enough value to provide much or any affordable housing without grant. This has been a growing problem in recent years owing to tough market conditions, and exacerbated by the withdrawal of increasing numbers of Registered Providers from the market for small numbers of s106 homes. LPAs wanting to achieve affordable housing targets may therefore prefer to focus on allocating larger sites.
4. **Policing.** It is too easy for developers and master developers to circumvent the intention of the policy for subdivision, as the Letwin Review observed. For example, we have heard cases of plots within larger sites being marketed to SMEs for self and custom build in locations and at prices that make them unattractive or unviable; upon receiving no bids, they negotiate away the

requirement with the LPA.

5. **Reporting.** There is no regular reporting of performance, and no reliable local or national data on the proportion of development coming forward from SMEs and on small and medium sites. Reporting on self and custom build housing is better, but could be improved. It does not exist for community-led development, though we make our best efforts to maintain a national database.
6. **Definitions.** There is uncertainty around precisely what constitutes a 'medium' site, and inconsistency in paragraph 71 which talks of small and medium sites, but in sub-paragraph (b) only refers to small sites.

Taken together, these point to a lack of gain relative to the work and the political controversy involved. Windfalls soak up a degree of pressure, but come with added planning risk for the applicant.

There are also barriers for applicants in taking forward small sites, which add to the reluctance of local planning authorities in investing resources into allocating them. The Competition and Markets Authority concluded that the length and uncertainty of the planning process, and the complexity, cost and information requirements, were significant barriers for SMEs. Our evidence submission echoed this. We pointed out that planning costs for small schemes average £10k per home, compared to the CMA's industry-wide average of £3.5k, because information requirements are not significantly lower for small sites. Raising this finance is extremely difficult in a discretionary system beset by delays, and especially when you are applying on windfall sites. It is no accident that a disproportionate share of our pipeline has come through rural exception sites, and hopefully in future through community-led exception sites following the success in East Cambridgeshire, where the principle of development is more clearly established.

A significant proportion of community-led development has taken place on public land, but there are also issues with public disposals. In a recent study of projects part-funded by the Community Housing Fund, 43% of projects involved public land disposals, resulting in 1,499 homes of which 96% were affordable tenures. One barrier to releasing sites is the lack of clarity around the interpretation of best consideration rules. Some local authorities, for example Bristol and Liverpool, have created local policy to clarify this, giving due weight to social value considerations. But others are put off by the complexity.

We believe community-led development could address some of these issues.

Communities have proven adept at identifying sites and winning local support, including

in sensitive locations such as urban open space, back gardens and garages. They have delivered high levels of affordable housing, and been able to step in to pick up s106 homes in some cases where RPs showed no interest (something that would be helped by amending the glossary definition, as noted under question 57).

There is also a considerable opportunity for community-led development of homes in the context of the Government's wider community ownership strategy. But this is frustrated by an overly narrow definition of Assets of Community Value, which only considers existing uses and not future needs, and rules out housing. The same constraints were placed on the Community Ownership Fund. We, along with others such as Power To Change, advocate rewriting the definition of ACVs to better align with the planning system, defining them in terms of the social, economic and environmental interests of the community, and in terms of both existing and prospective future uses of the asset.

We would also note that SMEs already account for around 10% of the market<sup>10</sup>, and so if the policy is intended to drive diversification then it ought to be higher.

We therefore suggest the following reforms:

1. Require that 10% is a baseline, consider raising it to 20%, and require that LPAs introduce higher targets where evidence supports it.
2. Redefine small sites as those achieving up to 100 homes, rather than 1ha in size, as recommended by the Land, Planning and Development Federation to the CMA.
3. Adopt the Letwin Review's recommendations relating to the subdivision of large sites, with limited primary and secondary legislation via the forthcoming Planning and Infrastructure Bill to complement changes to the NPPF which require each phase of development on large sites to meet a range of needs with diversification as an explicit objective. This should include allocations of homes for community-led development as well as self and custom build homes where it can be shown there is demand.
4. Require LPAs to report on performance, including allocations, applications and decisions, and - in the context of the presumption in favour of sustainable development - consider giving additional weight to applications on small sites

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<sup>10</sup> <https://commonslibrary.parliament.uk/research-briefings/cdp-2023-0100/>



where LPAs are failing to meet the 10% (or higher) target.

5. Introduce a policy for Community Priority Projects. These would allow local people to propose a site/area allocation in the local plan for specific developments or services that have a spatial dimension - for example, community centres, community shops, workspaces, housing, heritage buildings and so on. They would be ring-fenced for community-led development. They would mitigate the barriers relating to resources, local politics and affordable housing, and be significantly less resource intensive than the process of allocating such sites through a Neighbourhood Plan.
6. Amend paragraph 72 to require that neighbourhood plans allocate small sites suitable for housing to meet local needs, and indicate that some may be ringfenced for community-led development where it can be shown there is demand and this is viable, as an inducement for communities to support more local development.
7. If the Planning and Infrastructure Bill changes the role of planning committees and the schemes of delegation to officers, there will be greater need for clarity - for example through NDMPs - on exception sites and small sites if ministers wish the planning system to create an enabling environment for house building.
8. If the English Devolution Bill gives or expands spatial planning powers for Combined and Combined County Authorities, give consideration to, or introduce specific duties to, the promotion of diversification and specifically opportunities for rural housing and SME, self and custom build and community-led development. Otherwise there is a risk that these spatial strategies will further entrench a focus on large urban sites, and without subdivision.
9. Expand the proposed Community Right to Buy in the Devolution Bill to empower communities to buy assets with any existing use if they can, through development, further the sustainable development of that community, and explicitly align these powers with the spatial strategy Local Plan.
10. We would also suggest that it may ultimately be unlikely - given the above barriers - that LPAs will allocate significant numbers of small sites. We therefore think the government should consider how more certainty could be given to windfalls. For example, Section 15F of the Planning and Compulsory Purchase Act 2004 (as amended by the Levelling Up and Regeneration Act) - Design code

for whole area - could be used to require councils to include area wide small site allocations of land where the principle of development is acceptable (this is the system in many other countries), avoiding Councils having to flesh out specific sites and waste precious resources with limited return. Some LPAs have created supplementary planning documents to do something similar, giving more clarity - for example - as to the kinds of urban and suburban infill development that will be permitted.

**Question 70:** How could national planning policy better support local authorities in (a) promoting healthy communities and (b) tackling childhood obesity?

By promoting community-led development.

Social and economic factors are significant determinants of health, twice as significant as clinical care e.g. through the NHS. For example, Public Health England's guide to community-centred approaches for health and wellbeing states that 'community life, social connections and having a voice in local decisions are all factors that underpin good health'. It defines confident and connected communities in terms of three core concepts - equity, voice and control, and social connectedness<sup>11</sup>.

The Quality of Life Framework referenced by, among others, the LGA also includes 'a sense of control' as one of its six overriding themes<sup>12</sup>, but in the Quality of Life Foundation's evaluations of new communities this is an area that consistently scores poorly, with people feeling just as powerless as in wider society.

These themes are intrinsic to community-led development.

There is strong evidence that community-led development approaches contribute to health in this way. A literature review by UWE in 2019 found that community-led housing can support healthy ageing, social inclusion, improved physical health, tackling multiple disadvantages and meeting additional support needs<sup>13</sup>. A study commissioned

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[https://assets.publishing.service.gov.uk/media/5c2f65d3e5274a6599225de9/A\\_guide\\_to\\_community-centred\\_approaches\\_for\\_health\\_and\\_wellbeing\\_full\\_report.pdf](https://assets.publishing.service.gov.uk/media/5c2f65d3e5274a6599225de9/A_guide_to_community-centred_approaches_for_health_and_wellbeing_full_report.pdf)

<sup>12</sup> <https://www.qolf.org/framework/>

<sup>13</sup>

<https://www.youngfoundation.org/institute-for-community-studies/repository/community-led-housing-and-health-a-comprehensive-literature-review/>

by the ministry and published in 2021 found that community-led housing strengthens social connections and social cohesion, and reduces feelings of isolation and loneliness<sup>14</sup>. This is both by the design of homes and buildings; by the tendency to provide shared facilities such as gardens and common houses; by the social relations created within the groups themselves and through volunteering; and the sense of agency, control, voice and influence they have in the community organisation that designs, owns, manages, stewards the assets.

The NPPF could therefore promote community-led approaches being woven into approaches to planning and development, so that we build not only homes but healthy, connected, confident communities. Mainstream examples include the recent provision by Homes England of a site for TOWN to develop cohousing in Northstowe, Cambridgeshire; the role of Kennett CLT as a co-designer of the masterplan, development partner, and ultimately asset owner in Kennett Garden Village, East Cambridgeshire; and the allocation of 58 homes to a new BME housing co-operative in the regeneration of St Ann's hospital in Haringey.

The National Planning Policy Guidance on healthy and safe communities and the National Design Guide could also better reflect this aspect of health. For example, the NPPG says a healthy place 'will provide the community with opportunities to improve their physical and mental health, and support community engagement and wellbeing"', and is a place that 'promotes social interaction'<sup>15</sup>. But it is framed in terms of physical design and forms of community consultation or engagement. There is no mention of community voice and control, of community activity creating more social connectedness, and no mention of the potential of community-led development to support this.

**Question 78:** In what specific, deliverable ways could national planning policy do more to address climate change mitigation and adaptation?

By promoting community-led development.

The Government is backing the potential of community-owned energy. The Labour Party's 'Local Power Plan' noted that community ownership can strengthen local support for new energy infrastructure, and unlock revenue to fund further local economic and

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<sup>14</sup> <https://www.gov.uk/government/publications/community-led-housing-and-loneliness>

<sup>15</sup> <https://www.gov.uk/guidance/health-and-wellbeing>

climate activity. This logic can be extended to other kinds of land use considered by the planning system.

There is a growing evidence base that community-led housing achieves high standards of energy efficiency<sup>16</sup>, promotes a circular approach to the built environment<sup>17</sup> and promotes sustainable lifestyles with lower carbon emissions<sup>18</sup>. Many community-led developments incorporate non-housing assets such as renewable energy, laundries and shared workspace, and aim to reduce car usage and the amount of land used for car parking while supporting sustainable modes of travel with car and bike clubs.

Community-led housing organisations also build capacity and resilience within their communities to adapt. For example, when Lancaster Cohousing designed its homes on the bank of the River Lune it chose to take a more cautious view of future flood risk. But after severe flooding in the region came to their doorsteps, they mobilised to create an emergency response plan and consider future adaptations to reduce risk. Had this been a private estate there would be no social organisation, no bank account and resources and relationships, to mobilise.

Community-led development can do more to address climate change mitigation and adaptation when pursued independently. It can also 'inject' these features into mainstream development through partnership. For example, the aforementioned Kennet Garden Village is being developed through a partnership between the landowner, the district council's housing company, Bellway Home and Kennett CLT. The latter will own and steward all the open space including SUDSs and habitats, bringing those benefits of social organisation and the prioritisation of sustainability to those tasks.

We are currently exploring this in relation to water, and 'water smart communities', through an Oftwat-funded innovation project led by three water companies<sup>19</sup>. One of three thematic priorities is exploring how community-led stewardship of water assets can better address the challenges including those posed by climate change.

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<sup>16</sup>

[https://www.communitylandtrusts.org.uk/wp-content/uploads/2021/11/Leading\\_to\\_Net\\_Zero.pdf](https://www.communitylandtrusts.org.uk/wp-content/uploads/2021/11/Leading_to_Net_Zero.pdf)

<sup>17</sup>

<https://www.circularbuildingscoalition.org/blueprint-projects/and-the-people-x-european-community-land-trust-network>

<sup>18</sup> <https://www.consciouscoliving.com/research-sustainable-coliving-cohousing/>

<sup>19</sup> <https://www.ewsc.org.uk/>

A more expansive and ambitious version of the community-led exception site could provide a clear route for communities to pursue mixed-asset developments that meet these challenges.