

LONDON BOROUGH OF WALTHAM FOREST

Meeting / Date	Cabinet 19 March 2020	
Report Title	Community-Led Housing Policy Framework	
Cabinet Portfolio	Councillor Simon Miller, Portfolio Lead Member for Economic Growth and Housing Development	
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Wards affected	All	
Public Access	OPEN	
Appendices	1: Community-Led Housing Policy 2: Equality Assessment Screening Report 3: Sustainability Matrix	

1. SUMMARY

- 1.1 This report seeks Cabinet approval of the Community-Led Housing Policy framework attached as Appendix 1. This framework will provide a fair and structured approach to balancing the Council's strategic priorities to ensure everyone has a decent roof over their head, to provide clean and safe streets and promote life chances for residents, whilst facilitating and enabling the delivery of community-led housing schemes in the borough.
- 1.2 The report also seeks Cabinet approval to proceed with a number of pilot projects for community-led housing; any lessons learned from these pilot projects will enable the Council to adjust its approach for future CLH opportunities.

2. RECOMMENDATIONS

- 2.1 Cabinet is recommended to:
- 2.1.1 approve the attached Community-Led Housing Policy as the Council's approach to supporting the delivery of community-led housing in the borough;

- 2.1.2 approve a soft market testing exercise of the Central Parade site for a community-led housing scheme with a minimum required return to the Council to cover the £1m cost of appropriation of the site and all costs incurred and committed by the Council on the project to planning permission stage;
- 2.1.3 approve the marketing of the Central Parade site for community-led housing, subject to a positive result from the soft market testing exercise;
- 2.1.4 delegate authority to the Strategic Director Economic Growth and Housing Delivery, in consultation with the Director of Housing, Strategic Director Finance and Governance, and Portfolio Lead Member for Economic Growth and Housing Development, to agree terms for the disposal of the Central Parade site for community-led housing;
- 2.1.5 delegate authority to the Strategic Director Economic Growth and Housing Delivery, in consultation with the Director of Housing, Strategic Director Finance and Governance, and Portfolio Lead Member for Economic Growth and Housing Development, to agree terms for the disposal of land adjacent 73 Kings Road E11 and land adjacent 100 Claude Road E10 for housing development.

3. PROPOSALS

Background

- 3.1 Community-led housing (CLH) is housing developed by, with and for community-led organisations, and controlled by the same organisations. Community-led housing is not a single type of housing development or tenure, there is a range of delivery methods that can be classified as community-led housing. The main criteria for a CLH project is that the community must be integrally involved throughout the process in key decisions and in the long term ownership, management or stewardship of the homes. The Community-Led Housing Policy appended to this report sets out what qualifies as Community-led housing.
- 3.2 The Government has been promoting community-led housing as a means of increasing housing supply. It launched a Community Housing Fund (CHF) in December 2016 and allocated the first £60m to local authorities in England according to the level of second home ownership in the boroughs. Waltham Forest was allocated £36,750, which the Council has mostly used to help capacity build community-led housing groups, funding events and grants to local community-led housing groups.
- 3.3 In July 2018 the Ministry of Housing, Communities and Local Government (MHCLG) announced a £163m Community Housing Fund (CHF). In January 2019 the Mayor of London published a prospectus for the £38m Community Housing Fund allocated to London. Competition for land in London is particularly acute given London's

place within the global economy, meaning that land values can be particularly challenging in enabling community led housing to be brought forward. This London Community Housing Fund is available to support communities to develop new affordable housing in the form of revenue support, capital grants, and development finance on a loan basis, to March 2023 or until fully allocated.

- 3.4 The Mayor of London has included support for community-led housing in the London Housing Strategy and draft London Plan, and the Greater London Authority (GLA) supports the Community-led Housing London Resource and Advice Hub that provides support to groups and local authorities in London. The Council is working with the Hub to develop the borough specific policy with the expectation that this policy will then be used as good practice guide for other local authorities.
- 3.5 Interest in community-led housing has been increasing in the borough, with a number of groups actively seeking the Council's support to help deliver community-led housing schemes. The Council has made public commitments to support community-led housing in the borough, and officers and Members have been engaging with groups on an ad hoc basis to determine how the Council could enable community-led housing proposals. Most groups have advised that they are looking for the Council's assistance in securing a developable site as the critical path to delivering a community-led housing project, and in some instances, have expressed specific interest in Council-owned sites.
- 3.6 It should be noted that while community-led housing can and does contribute to new supply, currently only a very small proportion of new homes in the country are delivered as community-led housing. The Council has a duty to and has been operating a Self-Build Register since April 2016, which now has 588 individuals and 15 groups registered seeking self-build opportunities in the borough. There has been one community-led housing scheme in Waltham Forest - the Headway Self Build Group was supported by housing association Clarion to build 10 homes, completed in 2015, on a garage site owned by the association. The Council providing support for community-led housing could increase the proportion of community-led housing homes in the borough over the medium to longer term.
- 3.7 The Council recognises the value in, and is supportive of, community-led housing as a vehicle to bring forward additional housing supply, particularly where CLH groups are able to offer an approach that will enable sites that would otherwise not come forward for development to deliver housing. It is estimated that circa 23% of new homes in London over the next 10 years will be built on small sites (smaller than a quarter of a hectare)¹ that are not attractive to developers and housing associations so need other methods of delivery. Increasing support for community-led housing, including the Community Housing Fund, could make this a viable form of housing delivery on small sites. Community-

¹ The London Plan (Intend to Publish Version December 2019)

led housing can and does contribute to meeting local housing needs, with most groups seeking to provide affordable homes as they cannot meet their housing needs on the open market.

- 3.8 For these reasons, the Council has stated it will actively support groups looking to deliver community-led housing in **Housing Futures: A Decent Roof for All**, the Waltham Forest Housing Strategy 2019-24 approved by Cabinet and published in March 2019. The measures of success of this policy as set out in the Housing Strategy Delivery Plan include ensuring that sites are identified for community-led housing, working to enable a pilot community-led housing project to be delivered, and adoption of a Council policy on community-led housing.
- 3.9 The Community-Led Housing Policy attached as **Appendix 1** to this report provides a framework for how the Council will support community-led housing in the borough. This covers signposting to groups and agencies that provide support including the Greater London Authority (GLA) sponsored London CLH Hub; help with capacity building; support to access funding and sites; and making Council land available, where appropriate, to support community-led housing projects in the borough.

Strategic Asset Management Plan and development opportunities

- 3.10 It should be noted that the Council is subject to resource pressure and council land is used to meet a range of statutory objectives such as meeting our homelessness duty to homeless households and the borough-wide strategic objectives to ensure everyone has a decent roof over their heads; to provide clean and safe streets and to promote life chances for residents. The Council's Property Transformation Strategy, Strategic Asset Management Plan (SAMP), and Property Procedure Rules set out priorities and processes for how the Council manages its property assets to support Council objectives. Sites considered suitable for homebuilding other than strategic regeneration projects (where housing is part of or an enabler of a mixed use development) will first be considered for the council homebuilding programme which increases the number of homes to meet the need of households on the Council's housing register – particularly at social rented levels, and sites not considered viable for the Council to deliver either directly or through its development company Sixty Bricks, will be considered for release for community-led housing development.
- 3.11 For this reason, the community-led housing policy applies the following principles in relation to making council land available:
- that the Council will make land available that has been declared surplus to council requirements;
 - that such opportunities will be competitively tendered to ensure the Council achieves best consideration;
 - that the Council will continue to seek Best Value - this assessment will include an assessment of social value and financial return, and

minimum financial thresholds to be met as part of this process will be made clear as part of any competition;

- that the Council will require all community-led housing to be delivered as affordable housing (for rent and ownership);
- that the Council will require legal protection for the long term affordability of the homes;
- that the Council will have ‘step in’ rights to complete delivery of new homes.

Support offered

- 3.12 The level of support for community-led housing will vary from signposting individuals and groups to agencies and organisations that provide support; through to providing development opportunities on council-owned land that has been declared surplus to requirements, in keeping with the Council’s Property Procedure Rules. The Council’s terms and conditions will vary with the level of support and will be secured through Memorandum of Understanding (MoU), Heads of Terms (HoT), and legal agreements.
- 3.13 The Council has previously provided support for capacity building through grants to four groups, funded from the 2016 Community Housing Fund allocation to the borough. The Council will support groups to access technical support and funding from other sources including the London CLH Hub and the Community Housing Fund, for community-led housing projects in the borough.
- 3.14 In keeping with the Council’s commitment to supporting community-led housing and the principles set out in the CLH policy framework attached at Appendix 1, the Council will be advertising for disposal sites which may be suitable for community-led housing.

Pilot sites

- 3.15 The Council put forward a number of Housing Revenue Account (HRA) sites for the GLA’s Small Sites Small Builders programme. This programme is intended to help bring forward for development small sites in public ownership and invigorate new sources of supply including small developers, housing associations and community led housing. The programme provides support to ‘unlock’ sites for housing development.
- 3.16 Two council sites put forward for this programme, land adjacent 73 Kings Road E11 and land adjacent 100 Claude Road E10, will be advertised on the GLA portal² for affordable housing with preference for community-led housing, in March 2020, with detailed bid packages to include criteria for assessing community-led housing bids.

² <https://www.london.gov.uk/what-we-do/housing-and-land/land-and-development/small-sites>

- 3.17 These two sites and the soft market testing exercise outlined below will pilot the community-led housing policy framework, with bid assessment criteria based on the policy assessment and selection criteria. This pilot will provide a first test of and should help refine the community-led housing policy framework.

Soft market testing exercise

- 3.18 In March 2019 Cabinet approved a project to regenerate Central Parade, Hoe Street E17. This project includes the redevelopment of the garages at the rear of the site to deliver new homes. The Council bid for and was allocated £664,000 from the GLA Small Sites Small Builders programme to help unlock the site for development. Work has progressed on the project and a planning application for a development of 19 flats with commercial space on the ground floor was submitted in December 2019.
- 3.19 In order to try to establish the appetite and ability of community-led housing groups to meet quite stringent requirements in terms of capital receipts and prescribed development, officers will undertake a soft market testing exercise with community-led housing groups being asked to submit outline proposals for a community-led development within the required financial return and planning application parameters.
- 3.20 Should this soft market testing result in interest from more than one community-led housing group in the project, a more formal competitive bidding process will be undertaken to select a community-led housing group to take on the development of this site. Should there not be any interest from community-led housing groups to take on this project it will remain a Council development project as previously approved by Cabinet.

Next Steps

- 3.21 The Council will be making opportunities available for community-led housing projects along the following timelines, with delivery timescales for planning applications and constructing the new homes to be agreed with successful bidders:

3.22 Land adjacent 73 Kings Road E11 (Leytonstone ward)

- Bid Package sign off February 2020
- Marketing on GLA Portal March to May 2020 (12 weeks)
- Bid Assessment and decision June 2020
- Agree terms and milestones September 2020
- Legal agreements December 2020
- Planning permission and construction (to be agreed)

3.23 Land adjacent 100 Claude Road E10 (Grove Green ward)

- Bid Package sign off February 2020

priority; and through the delivery process skill up CLH group members
- Improving Life Chances priority.

- 5.2 Community-led housing is also about empowering residents to take more control of decisions in relation to meeting their housing needs. Support from the Council will help provide a wider social benefit from residents creating homes and communities in line with the Council's Creating Futures corporate strategy principles of new ways of working, new relationships with our communities, and people focused services.

6. CONSULTATION

- 6.1 The Council held a public seminar and workshop on community-led housing in December 2017. The individuals and groups at the seminar requested Council support in the form of information and advice including on legal structures for delivering community-led housing; facilitating networking and workshops; securing developable land; securing funding and providing funding guarantees; and with (town) planning.
- 6.2 A community-led housing seminar was held in November 2018 in the Lea Bridge Road library in response a request from the Lea Bridge ward Members.
- 6.3 A local community-led housing networking group meeting organised by officers was held in April 2019 and all the groups and community-led housing advocates who attended agreed that this should be a regular event. The draft policy was discussed with CLH groups and other CLH advocates at a networking event on 25 February 2020.

7. IMPLICATIONS

7.1 Finance, Value for Money and Risk

- 7.1.1 There are no immediate direct financial implications arising from this report. Financial implications arising from specific development projects will be assessed as part of each specific development project. The overall policy framework includes provision for the assessment of best value in the round, providing a mechanism for the establishing of financial thresholds that must be met by bidders.
- 7.1.2 Funding of activities to support community-led housing to date has come from the government's Community Housing Fund allocation of £36,750 to Waltham Forest. This has been used to pay for events such as the public seminar and to provide capacity building grants to a number of groups.
- 7.1.3 As the level of Council support for community-led housing increases there will be financial implications in terms of the cost of officer resources supporting CLH groups and projects in the borough.
- 7.1.4 In March 2019 Cabinet approved capital costs for the regeneration of Central Parade to include the development of 19 dwellings on the garages site. This included a £1m appropriation of the site from the Housing Revenue Account (HRA) to the General Fund. Should a

community-led housing scheme replace the council scheme the Council will need to recover the £1m appropriation cost and all fees spent to the date of disposal, currently estimated at circa £250k, from the transfer of the scheme to a CLH group.

- 7.1.5 There will be all the risks associated with housing development projects and potentially more, community-led housing groups may not have the skills required to deliver and manage a housing development. These risks can be managed through a number of methods, for example the Council could require community-led housing groups to partner with developers such as housing association registered providers to mitigate some delivery risks, where appropriate. The GLA Small Sites Small Builders programme has templates, including legal agreements, the Council could use to help mitigate risks of non-delivery of Council supported community-led housing projects. The Council will require 'step in' rights on council land disposals to take over projects to ensure delivery of the new homes.

7.2 Legal

- 7.2.1 The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing & Planning Act 2016) places a duty on all local authorities:
- to establish and maintain a register of individuals and associations wanting to build such housing in their local authority area;
 - to have regard to this register when carrying out their planning, housing, land disposal and regeneration functions; and
 - to give suitable planning permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period.
- 7.2.2 The Community-Led Housing Policy is a non-statutory document and therefore does not require formal public consultation (though some public engagement has taken place as set out in Section 6 of this report) or a resolution of Full Council in order to adopt it. The Council has the general power of competence under section 1 Localism Act 2011 and ancillary powers under section 111 Local Government Act 1972 to do anything, which is calculated to facilitate or is conducive or incidental to the discharge of any of its functions.
- 7.2.3 The Council has the power to dispose of land under s123 Local Government Act 1972 provided it obtains best consideration reasonably obtainable for the land.
- 7.2.4 The Council has the power to dispose of housing land under s32 Housing Act 1986 and provided it falls within the General Consents issued by the Secretary of State. Disposal of vacant land falls within one of the General Consents.
- 7.2.5 Any disposal of land to facilitate Community Led Housing must be in accordance with the Council's Property Procedure Rules.

7.3 Equalities and Diversity

- 7.3.1 An Equality Analysis screening tool has been completed and is attached as an appendix. Community-led housing is usually a self-selected group of individuals with an interest in meeting their housing needs and creating a sustainable local community.
- 7.3.2 Council support will vary as determined by individual projects. Where the Council is providing the development opportunity this can be with project specific requirements to provide wider community benefits, including to provide homes for protected groups in line with Equalities Act 2010 requirements.
- 7.4 Sustainability (including climate change, health, crime and disorder)**
- 7.4.1 All community-led housing projects will have to meet local, regional and national policies on sustainable development, determined through development control and the planning process.
- 7.4.2 The policy will seek to encourage and facilitate groups to deliver higher sustainability standards than current minimum statutory and regulatory requirements. The Council will encourage community-led housing schemes to achieve a high Building Research Establishment (BRE) Home Quality Mark (HQM), which is a rigorous, evidence based and independent voluntary standard for new homes based on best-practice standards that are often significantly above those required by regulation.
- 7.5 Council Infrastructure**
- 7.5.1 Currently support for community-led housing will be met within existing infrastructure and with existing staff resources.
- 7.6 Brexit**
- 7.6.1 Uncertainty over the details of Brexit makes it difficult to quantify any impacts. There are housing market risks which could reduce the value of council property assets and make it more difficult to deliver returns on council assets. However, this same risk could reduce the value of other property assets and provide an opportunity for the Council to procure property to be used to deliver council objectives and priorities, including community-led housing.
- 7.6.2 There are also Brexit risks associated with the construction industry, including reduction in skilled tradespeople and difficulty in sourcing and procuring materials, which could make it more challenging to deliver construction projects, including community-led housing projects.

BACKGROUND INFORMATION (as defined by Local Government (Access to Information) Act 1985)

None