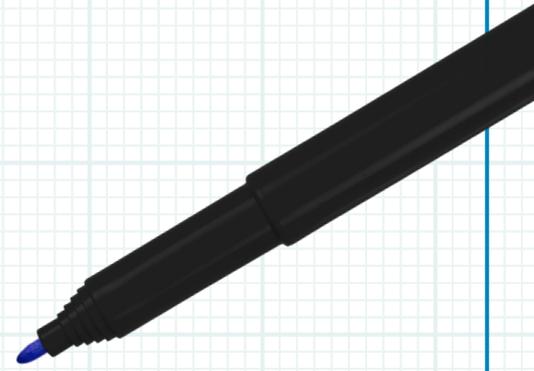




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Delivering a community-led housing enabling hub service: experience and lessons from existing practice.



Prepared for the Power to Change
Research Institute

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About this working paper

Community-led housing (CLH) is a growing activity in England, yet significant barriers remain that hinder the sector from making a more meaningful contribution to housing supply and to the resilience and sustainability of communities. These include access to technical support for volunteers and those new to housing development; access to land at an affordable cost; access to affordable capital finance and access to retail mortgages. In addition, the sector suffers from being fragmented and relatively uncoordinated.

This working paper was commissioned by Power to Change to understand what support already exists to assist community-led housing groups meet their local housing needs, and what can be learned from what has worked and what has not, to build on good practice to make recommendations to shape future development of local enabling services.

About the authors

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Pete Duncan is Lead Partner at Social Regeneration Consultants, which he set up in 1993. He has spent nearly all his career working in the field of community-led housing and regeneration, and has written many national good practice guides over the years. He is also a regular speaker at national and regional conferences and seminars where housing, neighbourhoods and community empowerment are on the agenda. Recently, Pete completed a major commission for seven local authorities in North and East Yorkshire, examining the potential for community-led housing there and is a founder member of Communities CAN, the community-led housing support hub for Northumberland. Pete is also chair of Stocksfield Community Association Trading Arm (SCATA), a Community Land Trust, which completed seven new affordable homes for rent in the village in 2015, winning a National Housing Award for Best Partnership.

Jo Lavis

Jo Lavis is Director of Rural Housing Solutions, which she set up and has run since 2007. Over a career spanning more than 30 years, Jo has been involved in the delivery of rural affordable housing across the UK. This has included working on national policy, local delivery and community support. Jo helped set up the national Rural Housing Enabler Programme and has subsequently been involved in a number of evaluations of sub-regional practice. Other work has included policy analysis and development, research, support and practice guides into the different elements of delivering rural affordable housing, and Secretariat for two national Inquiries. Jo is Vice Chair of the Lincolnshire CLT, which she helped to set up, and is currently also Vice-Chair of the National Community Land Trust Network.

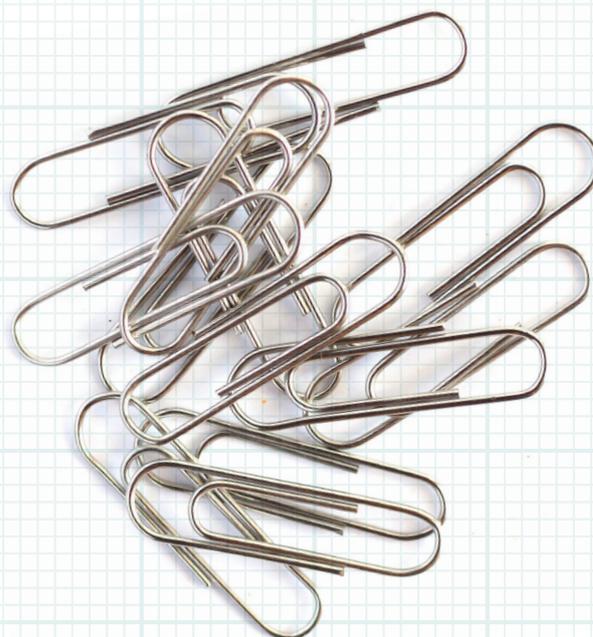
1. Introduction

During the next year Power to Change will launch a community-led housing programme which aims to:

- Simplify the process of community-led housing development to mobilise a movement of community-led housing projects;
- Create an appropriate and sustainable infrastructure of support;
- Develop the funding for community-led housing so projects can transition between different types of funding.

The intention is that the Programme will have two elements, providing pre-development grant funding and establish a number of community-led Housing Enabling Hubs (CLHEHs) that will provide face-face support for local groups wanting to provide community-led housing. To inform the design of its Programme, Power to Change has commissioned this research and funded two vanguard projects in Bristol and Leeds.

During the course of this research a number of people were generous enough to give up their time to be interviewed. We are very grateful for their contributions, without which this report could not have been written.



2. Aim and Objectives of the research

Aim

To provide evidence that will inform the design and funding for community-led Housing Enabling Hubs (CLHEHs)

Objectives

- To demonstrate what has and has not worked through existing channels of support for communities seeking to meet their housing needs.
- Establish an evaluation framework that could be adapted to shape and monitor new CLHEHs.
- Provide evidence to assist:
 - The design of the framework for Power to Change to assess where to support CLHEHs
 - The definition of the role of a core CLH Enabler (CLHE)
 - The identification of the required skills of a core CLH Enabler
 - The development of the terms of reference for a core CLH Enabler
- Provide an insight into the nature and availability of enabling expertise for the range of community-led housing models.
- Identify opportunities for working with and developing the skills of existing enablers, their respective management arrangements and partners so they are in a position to provide a regional/sub-regional CLHEHs.



3. Definition of community-led housing

The starting point for this research was to adopt an agreed definition of community-led housing (CLH). The one chosen is supported by the community housing sector and was used to delineate the Homes Communities Agency's Community Development Programme 2011/15. It sets out three common principles that define genuinely community-led housing:

One

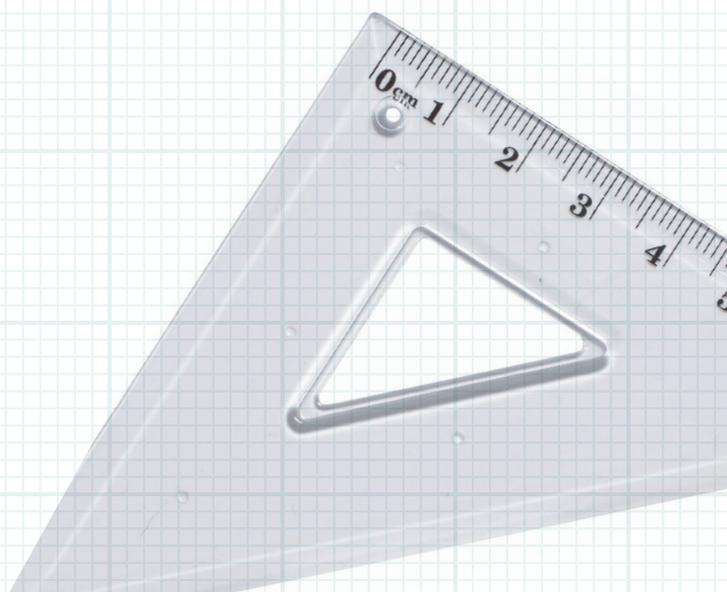
The community is integrally involved throughout the process in key decisions like what is provided, where, and for whom. They don't necessarily have to initiate the conversation, or build homes themselves.

Two

There is a presumption that the community group will take a long-term formal role in the ownership, stewardship or management of the homes.

Three

The benefits of the scheme to the local area and/or specified community group are clearly defined and legally protected in perpetuity.



4. Methodology

The research was undertaken in three phases.

Phase 1

Design and agree a framework for assessing the practices of community housing enabling.

This assured there was consistency across phases two and three and provided the framework for analysing findings and structuring the report. It was designed to reflect the principle objectives that it would be expected a community-led Housing Enabling Hub (CLHEH) would offer:

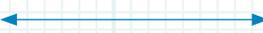
- Communities are able to access local face-to face technical support to explore and deliver a range of CLH forms.
- CLHEHs are able to make available individuals with the skills to support communities coming together to make an informed choice across the different forms of CLH and deliver the form of community-led housing that best meets their needs.
- The resources of the CLHEH are well-managed, targeting support to where it is most needed and will support the sustainability of the Hub.
- The CLHEH has clear governance arrangements that work to further the 'Hub' as the local leader for CLH
- The CLHEH has positive relationships with key public and private sector organisations, and other community/voluntary sector providers of support, whose resources are essential to the delivery of CLH
- The Business Plan, including the financial strategy, ensures the CLHEH can be financially sustainable in the long term

Phase 2

Using the framework, Phase 2 reviewed evaluations of previous and existing housing enabling practice to gain an insight into the features and factors that helped or hindered their ability to support communities meet their housing needs. The practice reviewed included:

Evaluations and reviews of:

- Rural Housing Enabling Programme in Devon

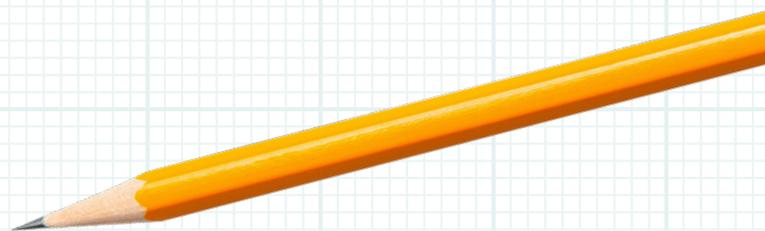
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- Rural Housing Enabling Service in North Yorkshire - two studies providing an insight into the evolution of the service over time
 - Rural Housing Enabling Service in Worcestershire
 - Hampshire Alliance for Rural Affordable Housing (HARAH)
 - Planning Aid -West Midlands
 - Delivery of community-led housing in rural Scotland - as part of a feasibility report into establishing a Community Housing Alliance
 - Local Trust's Big Local programme
 - Co-operative housing developments in Wales
 - User experience of Neighbourhood Planning

Only two of these services specifically offered support for CLH. The others have provided more generic enabling for rural affordable housing, or support for community groups who have been interested in pursuing housing, for example through a Neighbourhood Plan or neighbourhood regeneration.

In addition, although there are no evaluations or reviews available, the secondary housing co-operatives that emerged in the 1970s to provide a range of development, training and management services to housing co-ops have a strong resonance with the current interest in developing a new network of support Hubs for community-led housing. By 1987 there were 14 secondary co-ops, today there are only five. The Housing Corporation (now the Homes and Communities Agency) had sought to support and expand this network, using some of the same mechanisms currently being proposed. However, the network steadily fragmented as funding for co-operative development was reduced leaving a very few urban based organisations now providing this service, two of which were interviewed as part of Phase 3 of this research. Today the operating environment is different, not least the range of agencies that now have a role in delivery. However, there are enough areas of commonality to draw out lessons. These are woven into the findings, but given its direct relevance to the Power to Change's proposal to set up network of CLHEHs a short history is provided in Appendix A.

Phase 3

Phase 3 turned the research's attention to specifically community-led housing enabling, using the framework and the findings of phase 2 to explore the features and factors that affect the ability of existing CLHEHs to meet the framework



objectives. Six organisations were selected that offered a range of CLHEH structures, operate across a range of geographies, are at different lifetime stages and focus activity on different forms of CLH. In addition, two independent CLHE consultants were interviewed as the current gaps in CLHEH coverage means this is the source of support used by many communities. The organisations and individuals included in Phase 3 of the research are included in Table 1 below.

Table 1 Organisations interviewed for Phase 3

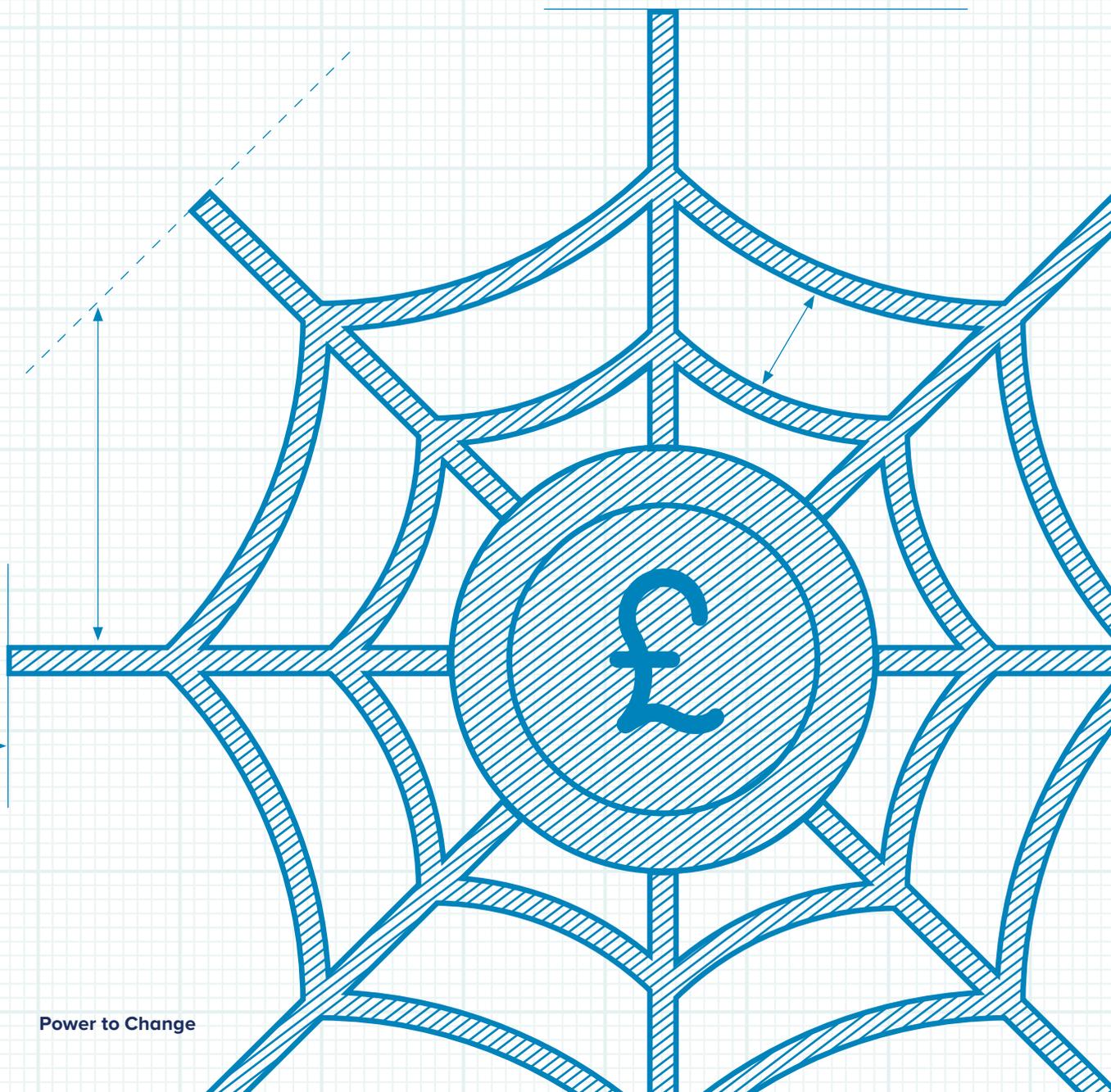
Name of CLHEH	Coverage	Principal CLH activity	Hosted/ stand-alone/	£5-10m
independent adviser	Host organisation		30.1	
East Cambridgeshire CLT	East Cambridgeshire (with facility to cover East of England)	Community Land Trusts	Hosted	East Cambridgeshire Trading Company
Wessex CLT	Dorset, Devon & Somerset	Community Land Trusts	Hosted	Wessex Community Assets
Sussex CLT	Sussex & South Downs National Park	Community Land Trusts	Hosted	Action in Rural Sussex
North West Housing Services	Manchester and Merseyside	Co-ops	Stand-alone	
Birmingham Co-operative Homes/ Redditch Co-op Homes	Birmingham and Redditch	Co-ops	Hosted	Accord Group
Confederation of Co-operative Housing	England & Wales	Co-ops	Stand- alone	
Andy Lloyd	Cumbria and Lancashire	Community Land Trusts	Independent adviser	
Stephen Hill	London	Community Land Trusts	Independent adviser	

Semi-structured face-to-face interviews were carried out with the CLHE, where possible along with a member of the governing body for each organisation, and the two independent enablers. In addition, to gain views of those who use or work with the CLHEHs telephone interviews were undertaken with community representatives and partners for each Hub. For all the interviews the framework of objectives provided the basis for the design of the questionnaire schedules. Appendix B lists all those who were interviewed.

We also received a written response for Co-operative Development Society (CDS) that has also informed the findings.

5. Structure of the report

A CLHEH can perhaps best be understood as a web. Each objective, which is part of the framework, is a thread that has to bear its part of the load, but equally they are all interconnected and mutually dependent. To capture this complexity, but provide an insight into the workings of each element the report draws together the findings from Phases 2 and 3 for each of the framework objectives, making reference to how it connects to the other elements. At the end of each section key learning points have been identified. These form the basis of the report's advice to Power to Change on the factors that should shape the design of the CLHEH part of its Programme. The concluding section takes these learning points and offers a number of questions that could be used to structure the application process or the criteria for assessing bids.



6. Findings

6.1 Nature of the organisation and geographic coverage

Framework objective 1:

Communities are able to access local face-to face technical support to explore and deliver a range of CLH forms.

Nature of the organisation

The desktop and primary research showed that there is currently no single preferred entity for a CLHEH Hub. Most are part of a 'host' that is an independent organisation in its own right with the Hub operating either formally or informally as separate 'business unit'. Of those we looked at, the exceptions are North West Housing Services (NWS) and the Confederation of Co-operative Housing (CCH) that are standalone organisations. This is a consequence of the evolution of the former and that, unlike all the others organisations, CCH operates across England and Wales. As Table 1 showed the 'hosts' have different legal structures. The implications of these different forms are explored more fully in the section on governance.

There are clear reciprocal benefits from a CLHEH being hosted by a larger organisation that has aligned objectives. For example, a core activity for Action in Rural Sussex (AiRS), that hosts the Sussex CLT (SCLT), is supporting Neighbourhood Planning. Its assistance for Neighbourhood Planning groups is enhanced by the input of SCLT advice on designing and implementing policies for affordable housing to meet the needs of local residents. Where SCLT is invited in at an early stage to explain what community-led housing is, there is an opportunity to build relationships and trust with potential users of the service. For others like East Cambridgeshire and RCH/BCHS being within a larger host organisation gives access to in-house technical expertise that widens the CLHEH offer.

However, there is a fine line to tread between these benefits and compromising the user's trust in the impartiality of the advice and support they receive. The interviews with partners in particular raised concerns that a too close or opaque relationship with the host organisation could distort the advice being given to communities. For these partners this affected how much they were willing to engage with a CLHEH, particularly when they saw the host organisation as a competitor. This is particularly likely to arise when the CLHEH is a developer in their own right where there may be direct competition between it and partners for sites and capital funding. Yet, the CLHEH holding its own property or providing cross-subsidy from other activities might provide the revenue needed to fund enabling services.

Mirroring this, most community representatives stated how much they valued the impartiality of the advice given by their CLHE. They needed to be confident that the information they were given allowed them to freely make informed choices about whether to proceed with CLH and, if so, which model to adopt.

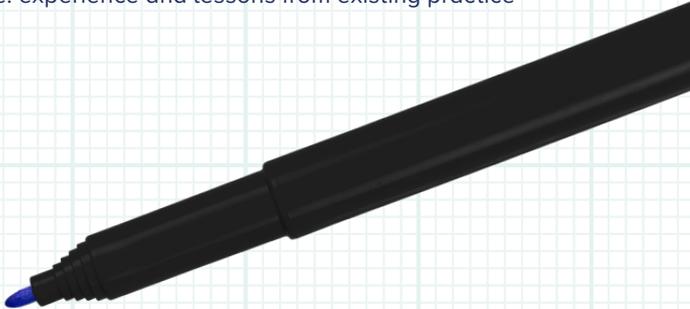
To achieve the balance between impartiality and sustainability two features need to be in place. Firstly, a CLHE has to be able to offer initial advice across all the different forms of community-led housing. It should have access to the skills to support equally communities that want: to develop, own but not manage their scheme; those that would like support through development and to take ownership and management of the homes; through to communities who want the whole package of support, with the asset owned by either the CLHEH, a housing association or other appropriate body.

Secondly, where the CLHEH is hosted by another organisation it needs to be run as a separate entity. There should be transparency on how it is funded. Equally, the independence of the CLHEH needs to be protected by the governance arrangements and by ring-fencing the funds they receive. As will be explained in the governance section this does not necessarily mean there has to be a completely separate formal governance body for the Hub, but there should be an intermediary body, such as an advisory group that has a direct line into the governance body of the host organisation.

← **Geographic coverage of the Community Housing Hub**

There is considerable variation in the geographical area covered by the existing CHEHs and other forms of community housing related enabling activity. Apart from RCH in Redditch, they all offer CLHE services across more than one local authority area. For the majority this is across a sub-region whose delineation is primarily a consequence of the operational area of the funders, or 'host' bodies. Underpinning this is that the geography makes sense to the partners who play a key part in the delivery of the CLH, such as local authorities and housing associations.

The experience of the previous co-op housing network illustrates the importance of hosts being relevant to the geography to be covered by the CLHEH and having a diversity of 'hosts'. During the 1980s there was a significant network of 14 secondary co-operatives providing support to local groups. The organisations able to provide this support were largely urban focused. For example, Co-ops starting up in London and the Home Counties could find at least eight agencies willing and able to offer services; in Birmingham they could find two, in Leicester, Liverpool, Manchester and the North East one. Everywhere else, such as rural or small town locations, there was little or no coverage. Unsurprisingly, few housing co-ops emerged in these locations. Accepting a diversity of 'hosts' will increase the chances that communities across England will be able to take advantage of CLHEH services.



The other fundamental factor that determines the geography of the CLHES is that it is large enough to generate sufficient CLH schemes that produce fee income either from development or management services to supports the financial sustainability of the Hub. It is interesting to note for example that East Cambridgeshire CLT offers its services across the East of England because there are insufficient communities within the East Cambridgeshire District Council area to provide a long-term income stream for the service. However, operating across a wide geography has implications for staffing levels, the funding to cover these costs and assuring consistently high quality services, all matters are that explored later in this report.

For many of the CHLEHs and some of the Rural Housing Enabler services, their geography has evolved over time, partly driven by demand, partly by the benefits that come from a single entity working across a sub-region in terms of consistency of service and stronger governance arrangements. It seems likely that this pattern of evolution will continue and should perhaps be promoted.

For example, in the early days of a Hub the geography may be confined to a city or a single county. As demand increases the CHLEH may expand through a series of spokes to provide a sub-regional service. If demand increases further it may be that some of these spokes become Hubs in their own right.

Learning Points: organisational structure and geographic coverage

- CLHEHs can be independent organisations in their own right, but equally be part of a larger host organisation where there is an alignment of objectives between the two organisations. Hosting arrangements may be the consequence of evolution of an existing service or a new line of business. The critical factor is that the host already has an interest in affordable housing and/or community-led housing.
- Where the CLHEH is hosted by another organisation, steps should be taken to ensure transparency in funding and governance of the Hub so communities and partners are confident that the advice and support they receive is impartial. For these reasons CLHEHs should not normally be hosted by a local authority or other public sector body.
- The geographical coverage of a CLHEH cannot be imposed from above. It has to make sense to local partners and particularly those who will be contributing to funding the CLHEH in the long term, whether by grant or fee income. Equally, the coverage has to be supported by those who will have a role in setting the policy context and levering in other resources to support delivery.

- Careful consideration needs to be given to finding a balance between demand and supply of CLHE services. If demand in the form of new groups/ schemes does not expand rapidly, then Hubs might exhaust revenue potential relatively quickly.
- A single district council area is unlikely to be large enough to provide the demand for the CLHE service that will raise sufficient fee earning income to support the CLHEH. Neither will it fully use the capacity of the CHLEs. In rural areas/semi rural areas - the geography probably needs to be sub-regional, as long as the CLHEH has staffing levels to provide this coverage and costs are built into the budget reflecting the broad geography and greater number of partners amongst whom the service will need to be promoted.
- In some urban areas local authorities may be large enough to avoid these difficulties. The scale of developments in urban areas could provide opportunities to ‘skim off’ homes for community-led schemes from larger housing developments, allowing for a spatially more focussed CLHE service and opportunities to derive significant income from a single development. Even in these situations, however, Hubs working across local authorities – for example those within a City Region Combined Authorities – will also make much sense.

6.2 Skills and Expertise

Framework Objective 2:

Hubs are able to make available individuals with the skills to support communities coming together to make an informed choice across the different forms of CLH and deliver the form of community-led housing that best meets their needs.

Skills and expertise

CLH housing comes in a variety of forms including Community Land Trusts (CLTs), Co-operative housing; Cohousing and some forms of community based self and custom build. These could be adopted anywhere in the country. However, there is currently a marked urban and rural difference. In rural areas most CLH is in the form of CLTs, perhaps reflecting that the drivers for this form of development are citizens seeking to meet the affordable housing needs of other members of the community as a end in itself and, through its provision, support the sustainability of the village. Co-operatives are more prevalent in urban areas, often a response to poor quality housing and neighbourhoods where it is the residents of the co-op housing who drive the process.

All the CLHEHs interviewed stated that they provide support for CLTs; however, three of the co-op services do not provide this at the moment. For example, CDS stated that its strength is in supporting independence and viability for existing groups given the nature of their service. It does not have spare 'expertise' for advice to new groups and do not see this as their primary contribution going forward. The reverse is true of the CLT Hubs who flagged up that currently their in-house expertise is narrower when it comes to in-depth support for the non-CLT models. Five of the CLHEHs were able to provide support for co-op housing and cohousing. The Co-ops also highlight the support they can offer Tenant Management Organisations. Self-help CLH is the area where there is the least support.

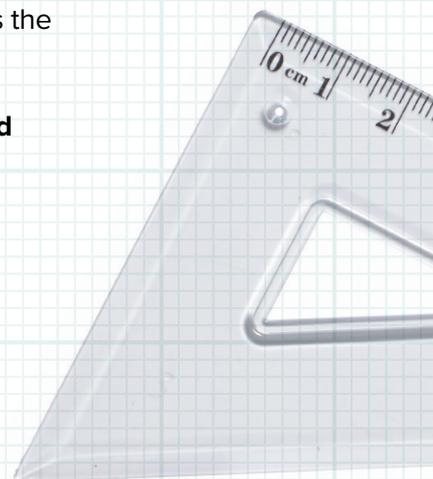
Whatever the form of CLH the process for delivering community-led housing generally has five stages:

1. Group formation
2. Finding and securing a site
3. Planning, designing and financing the scheme
4. Building out the scheme
5. Long term management and maintenance of the scheme

More detail of what is entailed at each of these stages is included at Appendix C, which sets out the activities involved in each of these stages to delivering and managing community-led housing.

To support local groups CLHEHs would be expected to provide support at the earliest stage where a community group comes together to set up a community housing project. The support it offers should include:

- explaining the different routes to achieving community-led housing;
- facilitating the identification of the appropriate legal structure for the group by helping the group refine its aims and values;
- helping groups to identify the appropriate legal mechanisms for their needs, circumstances and what it wants to achieve; and
- supporting groups to develop a viable business plan
- supporting the group to build local interest in the project.





As the project develops the CLHEH will need to provide more technical enabling support that is specific to a community-led housing project, including:

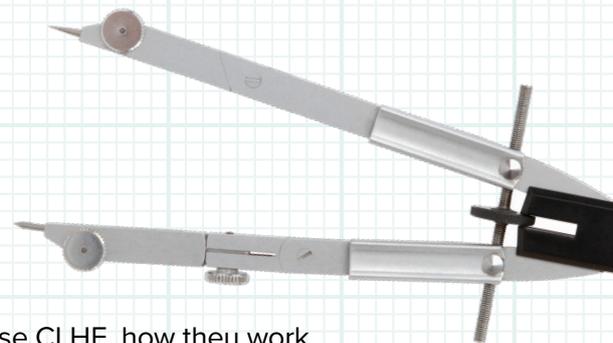
- enabling groups to make informed choices by providing a full suite of processes, tools, and options;
- providing information and advice on funding, finance, development and management;
- providing training on governance, management and community organising;
- providing access to a range of (accredited) technical support professionals;
- acting as an intermediary between professionals/local authorities and community groups to facilitate understanding, constructive discussion, and decision making; and
- sharing legal information to facilitate replicability where possible.

The CLHEH would be expected to be able to either offer support for each of these stages from in-house expertise of the Hub, or be able to ‘buy in’ this expertise. For the community groups the support needs to be provided as a seamless service.

The research showed that most of the existing Hubs are able to directly provide a core set of skills. Where the expertise is not available through the CLHEHs, arrangements are in place to draw on the in-house expertise within the host organisation or buy it in from an external provider. This same mix and match approach is used by the two independent CLHEs interviewed for this study. Table 2 shows the skills and expertise provided by the existing Hubs and those that are brought in.

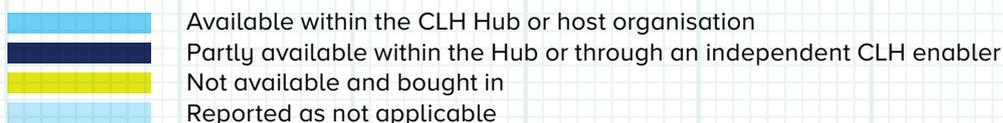
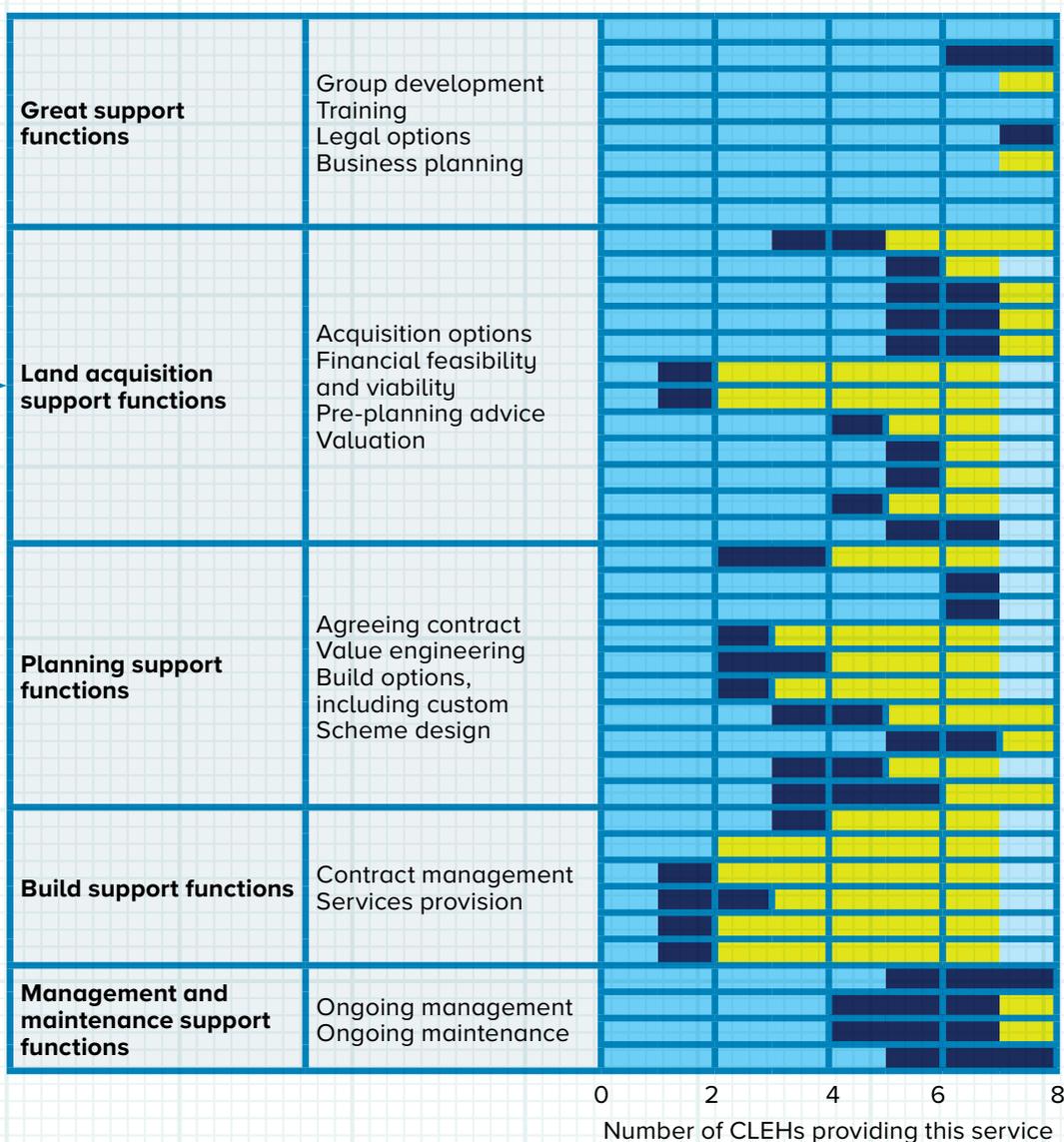
The feedback from the interviews with community groups and partners identified the most valued skills and expertise as legal (group formation, constitutions and leases); residential development, including financing; project management of housing development, together with the softer community development and organising skills vital to building the confidence of local groups and local support; and mediation skills.

Bringing in specific or additional technical support can considerably expand the offer of the CLHEH. It can also mean that there can be a lighter Hub structure where contracted associates rather than employees provide the CLHE expertise. However, building the confidence and trust of partners and communities happens over time so consideration needs to be given to the length of contract where an associate model is used. Equally the CLHE service should be delivered to a consistently high standard and in a timely manner. It has been the experience of the existing Hubs that this is best achieved by formal contracts that specify



what will be provided and, if complementing an in-house CLHE, how they work with the CLHEH staff. For example, Wessex CLT is a project of Wessex Community Assets that formally contract Middlemarch Limited Liability Company to provide the CLHE support delivered through Wessex CLT. Interestingly too, reflecting the dominance here of the partnership CLT model, Wessex Community Assets has formal contracts with the housing associations it works to develop the community-led schemes supported through the contracted CLHE service.

Table 2: Availability of skills from existing CLHEs

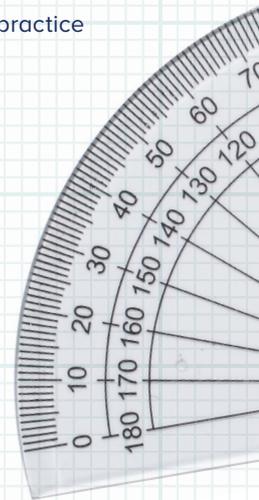


The deployment of these skills and expertise is variable, depending on which CLH model forms the core of the CLHEH's business. For example, the co-op based Hubs primarily provide support and training for well-established co-op groups in governance; co-operation; housing management; maintenance programmes; investment; back office financial services; business planning; advice on anti social behaviour. This reflects the fact that new co-op development in England has been extremely limited in recent years, whilst CLT development has been more rapid. Only in Redditch has there been a relatively large-scale development programme of new co-op housing in recent years, supported by a CLHE that is part of a regional housing association group structure – itself a highly unusual feature in England.

It is, however, a different story in Wales, where co-op development has been actively promoted, supported and funded by the Welsh Government for the last five years. Starting from a low base and working closely with housing associations and local authorities initially in three pilot areas, the Wales Co-op Centre and the Confederation of Co-operative Housing have been providing a bespoke support service for co-op development. Two housing associations employ their own in-house co-op development officers and make use of this external support, to create new co-ops to manage parts of often large-scale existing housing developments. Despite their in-house capacity, the provision of specialist external support is regarded as essential by the housing associations involved.

In contrast the deployment of the skills and expertise of the CLT Hubs is weighted towards the group formation functions, pre-development and in some cases development.

Even within the CLT model there are variations. This was very evident from the interviews with communities and the housing association and local authority partners. In all cases the individual CLHE was held in very high regard and their face-to-face support on an on-going basis was highly valued. For those that had gone down the CLT partnership route the CHLE support had been intense at the initiation and group formation stages, providing specific legal knowledge of group structures, leasing and covenant arrangements. Once the scheme moved to the more technical elements of pre-development the CLHE's role became one of mediator, working on behalf of the community and acting as a broker where there were differences between the direction the community wanted to take and that of the housing association. In Wessex, where this is the usual model adopted, the communities and partners acknowledged how important and valuable the CLHE's in depth knowledge of housing association development and excellent project management skills were during this mediation process. Across all the CLT Hubs' areas community representatives valued that the CHLE was with them every step of the way.



It is, however, worth noting that in both areas where the partnership CLT model has been adopted the housing associations representatives who were interviewed questioned the level of fee that they were charged for the CLHE services. They considered that the extent to which the housing association takes on the technical aspects development should be reflected in a lower charge. In part this was also driven by the narrow financial margins on these schemes where high fees can tip a scheme into unviability: something that is likely to be a critical factor in low value areas. A lower level or decline in this source of fee income would have significant impacts for the financial sustainability of a Hub using the partnership model, an issue explored in more detail in the finance section.

A further factor that affects the call on the CLHE's skills and expertise is the knowledge and capacity of the local community housing groups. It was very clear that within a number of the CLT groups there was a very high level of professional expertise that was directly relevant to developing housing.

In Cumbria, the community representatives interviewed had developed stand-alone CLTs drawing on high levels of skills and expertise within the community and often on the CLT boards. Despite this, they have still relied heavily on CLHE support, particularly for their first schemes. As one Cumbrian CLT chair put it during the research, 'no enabler – no scheme'. The same readily available advice is also a valued feature of the services provided by the Co-op Hubs and CCH.

As projects progress and Hubs become established so the balance of input shifts. This is dramatically illustrated by the differences in the apportionment of time between the Hubs supporting CLTs and those supporting co-ops. For all Hubs the majority of time was spent in on-going support. For the former this was between 50% - 70% of their time. In contrast 90% - 100% of the established Co-op Hubs time was spent providing on-going training, governance, management and maintenance support for well-established local co-ops. This reflects the fact that there have been very few new co-op groups emerging in recent times.

Clearly Hubs need to provide support at all stages, but it is as the community enters the planning, finance and development stages that the development and project management skills of the CLHE are critical. For the Hubs too this is important as its sustainability often depends on sufficient schemes completing to provide the income it needs to continue its work. However, it is important not to lose sight of the fact that these schemes only come to fruition through the very early support and promotion of CLH undertaken by the CLHEs. This is usually done at risk and the unpredictability and slowness of the translation of community interest into an actual scheme can result in cash-flow problems for the CLHEH. Balancing these costs and reducing financial risk arising from the unpredictability of the pipeline are considered in more depth in the finance section of this report.

On an optimistic note the small steps taken for example by NWS to support Granby CLT suggests that there is a wealth of experience and skills in secondary co-ops that can be broadened to all CLH groups. The advantages being that the secondary co-ops have significant reserves that could support this activity. However, as previous experience shows, relying on these largely urban-based organisations will leave a gap in CLHE services in rural locations.

Independent CLH Enablers

For many communities there is currently no Hub service operating in their area and instead they turn to support from independent CLHEs. The research interviewed two independent CLHEs, one operating in London and the other in Cumbria, whose skills are deployed in a very similar way to those offered through the CLHEs. It is also apparent that independents can fill gaps in Hub services. This is well illustrated by the service provided by CCH. Through its core members of staff and its network of independent associates they are able to provide very specific support to groups interested in setting up a Co-op and to a degree other forms of community-led housing. This has been deployed to great effect in Wales as part of the Welsh Government's Co-operative Pilot Programme.

However, there are very few individual experts providing this service in England and they find it difficult to generate sufficient income to make it financially viable to focus on community-led housing support exclusively. Indeed some often work on a voluntary basis for emerging CLH groups, using other sources of income to subsidise their CLH activities. This is clearly not a sustainable way forward, especially where there is a wide geography to cover.

The role of Rural Housing Enablers

In a number of interviews with partners and community representatives the complementary role of Rural Housing Enablers (RHEs) was highlighted. As a trusted and impartial source of advice to communities interested in providing affordable housing RHEs can introduce the concept of community-led housing. They will often undertake housing needs surveys providing the evidence that can give community groups the confidence to take the step into pursuing a community-led scheme. From here the RHE will usually support the community search for a suitable site. It is from this stage that the CLHE's more technical skills comes into the frame, supporting the group become a formal entity, through the pre-development and development stages and in some cases the on-going management of the homes. As the scheme progresses the input of the RHE declines, but in their role as 'honest broker' they can still play an important mediation role within the community and with their local authority and housing association partners throughout the development of the scheme.

Two of the existing CLHEHs work closely with an RHE service. In Sussex this is by virtue of the CLHEH being hosted within the Rural Community Council. Across Devon and Somerset this is achieved through regular update meetings between the RHE service and Wessex CLHE and working together on specific schemes. There is clearly a complementarity of skills and service and potentially through training and support RHEs could take on much of the CLHE role.

Staffing levels and capacity

The number of staff employed by the CLHEHs varies considerably, primarily reflecting the age and nature of their core business. Co-op-focused Hubs have the largest staff teams including enablers and staff providing management, financial and maintenance services for the local co-ops. In contrast the Hubs that are focused on new delivery at a maximum have two members of staff, dropping to 0.5 FTE in the Sussex CLT. However, it should be noted that in this case the other half of his time is spent on complementary activity supporting Neighbourhood Planning Groups and providing RHE services to communities who choose not to go down the community-led housing route.

Given these differences it is not surprising that the number of communities supported is also very different. The largest co-op-focused Hubs (NWHS on Merseyside and CDS Co-operatives in London) support up to 40 local groups each per annum (not all of them co-ops) whereas the CLT Hubs range from an annual average of 12 in Wessex and 10 in Sussex. These differences reflect that most of the Co-op Hubs are providing on-going long-standing support for local co-ops. In contrast the CLT Hubs are largely working with a small number of new CLT groups aiming to deliver new homes, activity that requires intensive CLHE up-front support, which limits the number of communities that can be assisted.

The challenge of geography may also have an impact. The CLT Hubs primarily cover large rural areas with dispersed client groups. Some, like Sussex do this with minimal staffing, whilst others have a larger resource. Sussex is the youngest of the CLT Hubs and, therefore, much of its work is still at the promotion of concept stage. The number of communities it supports may also reflect that many of the CLH groups in Sussex have formed as a consequence of undertaking a Neighbourhood Plan, shortcutting some of the very early group formation work and giving the CLHE capacity to take on more schemes.

These factors take on additional significance if CLHEHs are to expand in either geography or the breadth CLH models on which they can provide detailed advice.

→ All the Hubs have expressed an interest in growing; indeed for one this will be a necessity if it is to continue. Currently, all but one of the CLT Hubs are running at full capacity, whereas the co-op based Hubs have significant financial and staff resources that could be used to support expansion.

Training and Quality Assurance

A key question for these CLHEs and indeed for Power to Change is whether there are sufficient people with the relevant generic community-led housing and specialist skills to meet the growing demand. The widely held view is, 'No'. Of equal concern is that there are not the training and quality assurance facilities to support expansion of the pool of CLHEs. This is a key issue that needs to be tackled within the community-led housing sector if scaling up is to be achieved over the next few years.

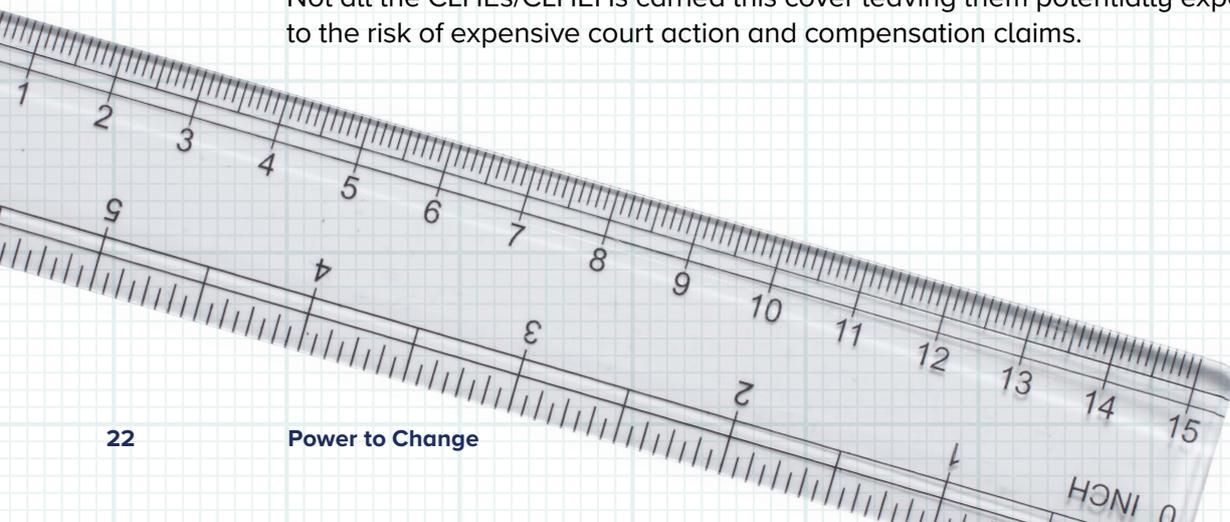
It is salutary to note that one of the main reasons that the co-op network of the 1990s failed to expand was a national shortage of specialists. At the time the Government came forward with proposals in publications like "Tenants in the Lead" to establish new training facilities in places like Trafford Park as interest in tenant management of local authority estates increased. It is an irony that at the very time when the demand for training for CLHEs is likely to grow, Trafford Park faces the risk of closure.

For the existing Hubs this brings immediate challenges as having staff with up-to-date skills and knowledge across the range of community-led housing is critical to them being able to offer a quality CLHEs through which they gain and maintain the confidence of community groups and partners.

Currently, most training for the CLHEs is provided informally through mentoring and peer learning. In only one interview was it reported that one of the CLHEs was being supported to gain a professional qualification.

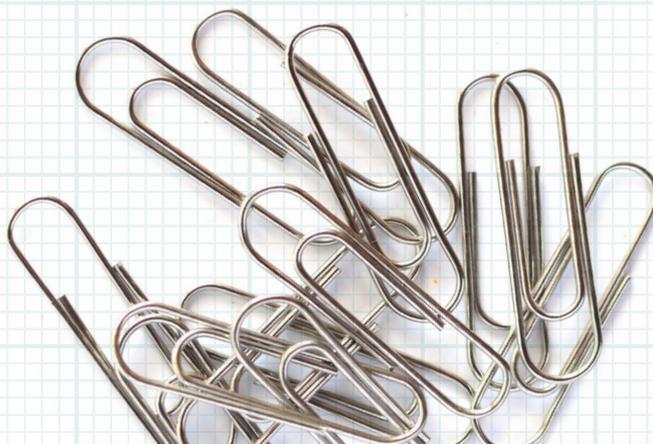
Similarly, the arrangements for ensuring a consistent high quality service across a Hub area are informal, usually through the line management function. It was however interesting to note the efforts made by CCH that extend this oversight by core staff to associates working on specific projects.

A final consideration that emerged from the interviews was the need for Professional Indemnity Insurance particularly when legal advice relating to land transfer and ownership and economic viability assessments are being offered. Not all the CLHEs/CLHEs carried this cover leaving them potentially exposed to the risk of expensive court action and compensation claims.



Learning Points: the skill base required to support communities embark on community-led housing

- There is a core set of skills that every CLHEH should be able to offer directly, these include at least a working knowledge of the different forms of CLH; community development and organising skills, knowledge and expertise in housing development and project management, mediation skills. However, these can be enhanced and supplemented by buying in specific technical expertise and additional capacity.
- Where external support is bought in there should be formal arrangements setting out what service will be provided and the respective roles and responsibilities of the CLHE and external adviser. Making such arrangements transparent may also help instil trust and confidence in the service by partners and communities.
- In rural areas RHEs can provide a valuable complementary service, promoting interest and setting the foundations for constructive involvement of communities in CLH and early community involvement in site identification. This may be achieved by the CLHEH being hosted by a Rural Community Council, such as AiRS, or through formalised working relationships between the CLHE and RHEs.
- To build and maintain confidence in the services provided by the CLHEH and the support of partners there should be formal arrangements for keeping the skills of CLHE up-to-date and ensuring a consistent and high quality service. Mentoring and peer support can assist, but there is need for a more formally provided and funded training resource.
- Linked to the above there is unlikely to be a sufficient pool of suitably qualified individuals to meet the expected increase in demand for CLHEs. A national training facility could address this shortage providing opportunities for up-skilling of staff involved in related activity, such as RHEs, and new entrants.
- It is important that CLHEs providing detailed and specific technical advice, particularly in relation to legal and scheme economic viability assessment have adequate Professional Indemnity Insurance.



6.3 Line and Workload Management

Framework objective 3:

The resources of the CLHEH are well-managed targeting support to where it is most needed and will support the sustainability of the Hub.

Line management

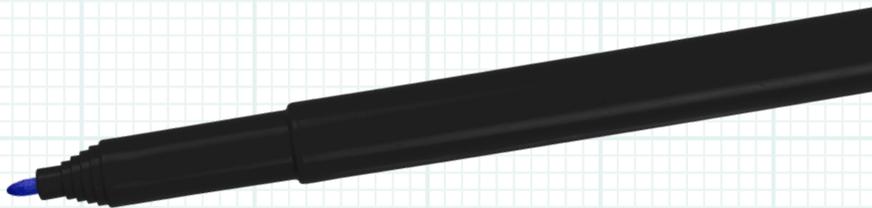
The importance of clear and supportive line management should not be underestimated. Evaluations of earlier forms of community enabling revealed how isolated enablers can be and that they often found themselves pulled in competing directions by the funders of their service. Fortunately, this lesson appears to have been learnt and for all the existing CLHEHs line management of the CLHEs is well established and clear. In three cases this was a role undertaken by the more senior CHLE, who in turn, or if they were operating alone, was line managed by someone from the host organisation. In others it was a person with a more senior role within the host organisation.

Workload management

Closely related to effective line management is that of the workload. For enablers this raises particular challenges as progress and levels of work are as much a result of the action of partners as the enablers themselves. In earlier enabling activity this often led to a disconnection between line and workload management. For some this fostered distrust and ultimately a loss of confidence by partners in the enabling service, even when they were involved in an advisory group that steered the enabling project.

As RHE services have matured a much closer alignment has been achieved between line and workload management. This has largely been through the use Programme Performance Management data to inform operational or advisory groups meetings, which are attended by delivery partners. From these arrangements mutual benefits are derived. For the enabler any blockages to delivery can be identified and remedial action by partners can be triggered. At the same time the partners have a say in how the enabling resource is being deployed. In turn this engenders their confidence that the CHLE service is achieving its objectives and helping them meet their own.

All the established Hubs have arrangements for regularly monitoring and managing the workload with responsibility for this resting with the respective line manager, sometimes in association with the Board or advisory group for the project. For the CLT Hubs Programme Performance Management reports inform the workload management, but apart from Sussex CLT this does not appear to involve discussions with key partners.



A slightly different requirement of workload management arises where CLHEs bring in other expertise. For example, in Sussex it has been important to set out the distinct responsibilities of the CLHE and the external surveyor who provides scheme specific project management. Likewise formal arrangements will be required where some form of internal contracting arrangement is used. Someone will need to act as both co-ordinator/workload allocator, whilst also keeping an eye on budget available for each type of work, and the related contracts. This will probably need to be managed executively, rather than through Board processes.

Learning Points: Line – and work load management

- Effective and supportive line management is essential to overcome problems of isolation often experienced by CLHEs, help them manage the competing demands made on their time and protect them from unrealistic expectations or situations where their independence is being compromised by a partner.
- Workload management needs to go hand-in-hand with line management, but using Programme Performance management to inform the work of a separate operational or advisory group whose members are partners critical to the delivery of CLH. Such arrangements have the dual benefit, firstly, of building partner confidence in the service and secondly, unlocking barriers to delivery, particularly those that are outside of the control of the CLHE.
- Workload management must provide a means of formally setting out responsibilities and accountability when the Hub brings in additional services, whether drawing on expertise within the host organisation or using external expertise.

6.4 Governance

Framework objective 4:

The CLHEH has clear governance arrangements that work to further the 'Hub' as the local leader for CLH

The governance arrangements for the early forms of community enabling services offer a salutary lesson for newly forming CLHEs. Evaluations of these previous projects frequently cited the lack of clear strategic vision, weak business planning and failure to adequately take responsibility for the long-term financial security of the service. The consequence is that some enabling services fell by the wayside. Others have evolved and adopted more formal and robust governance arrangements as the service has been consolidated and there has been a shift from grant to fee income to fund the service.

All the existing CLHEHs interviewed for this research have formal governance arrangements, largely reflecting the requirements placed upon them as legal entities. However, there is not a common legal structure. Table Three sets out the forms adopted by the CLHEHs, either as independent organisations or through their hosts and some of the pros and cons of such arrangements. It also includes other relevant legal forms not adopted by CLHEHs in the research, but could be an appropriate entity for a CLHEH. The choice of legal forms becomes critical as a CHLEH explores how it will finance its services and in particular whether it will look to generate income from any assets that it owns. Currently, only RCH and CDS own housing assets amongst the Hubs surveyed. This is explored in more detail in the section on finance.

Table Three: Legal Entities adopted by CLHEHs and their pros and cons

Legal entity	CLHEH using this entity	Pros	Cons
Company Limited by Guarantee	Redditch Co-op Homes CCH	No personal liability beyond personal guarantees Can register as a charity No profit distribution Easy to set up Widely understood legal form	
Community Benefit Society	BCHS NWHS CDS Sussex CLT Wessex CLT	Democratic structure All members have an equal say in running it Can be run with Charitable Purposes Can own assets Community based structure widely valued Modest annual fee costs	Accountable and registered with the FSA Cannot register with Charity Commission Weak brand not well recognised by mainstream lenders Initial registration costs high
Company Limited by Shares	East Cambs. CLT	No personal liability beyond shares held Widely understood legal form Profits shared with share holders - this may or may not be beneficial to CLH. It depends on how the profits are used. Can own assets	Profit sharing with share holders. This will not include communities who have used the service. May result in lack of trust between recipients of service and provider

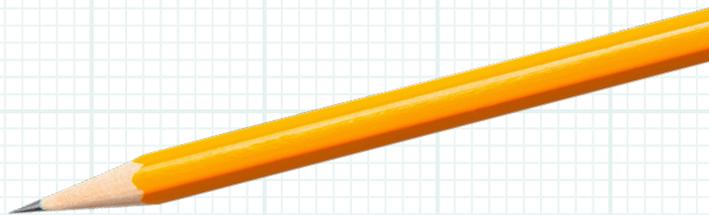
Community Interest Company	None of the projects use this form, but it has been adopted by Lincolnshire Umbrella CLT	Provides community asset lock Must also be a company limited by shares or guarantee Must have a social purpose Flexibility to pay Directors	Cannot register as a charity No charity tax advantages
Unincorporated Trust		Minimal bureaucracy Quick and cheap to set up Suitable for small voluntary membership groups Can register as a charity if it has charitable aims Charitable Trust can hold assets	Unlimited personal liability Accountable to the Charity Commissioners Assets can only be held by a individual No separate legal existence No accountability Cannot employ staff
Registered Charity		No personal benefit for the Trustees Some tax advantages, especially business relief Widely recognised and can be supported by donations	Administrative burden of registering with the Charity Commission Assets must go to another charity if wound up

It is important to note that less formal arrangements, such as Memorandum of Understanding are not appropriate. The CLHEH will need to provide formal reporting and conditions of service for the CLHEs. For example, the RHEs that are part of rural housing partnerships, which have adopted Memorandum of Understanding or Partnership Agreement, are employed by a name organisation that has a formal legal entity. Less informal arrangements do have a place but to formalise the role and interaction of partners and the enabling service.

Board responsibilities

The hosting arrangement raises interesting issues for CLHEHs around the responsibilities of the governing Board, the skills of Board members and the management of the interface between the Board and the CLHEH.

For all the Hubs within host organisations, it is the host organisation's Board that is responsible for setting the strategic direction, devising and agreeing the Business Plan and the financial sustainability of the CLHEH. However, this is not done without the input of the CLHEH. In most cases the lead for the CHLEH service provides advice to the Board and it is not unusual for them to draft the Business Plan.



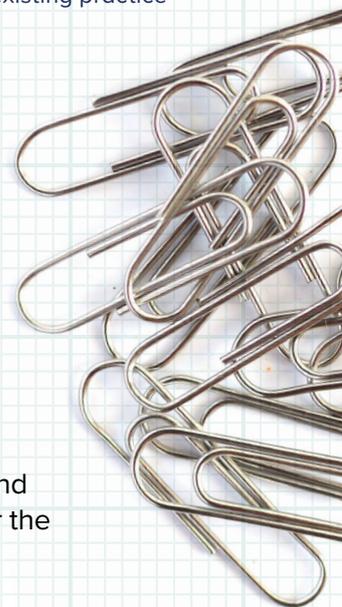
The situation for the East Cambridgeshire CLT is more complex. It is a separate business unit within a private Limited Liability Company that is wholly-owned by the local authority. The other business units are a housing development company, Palace Green Homes, and Ely markets. The relationship between the CLT and Palace Green Homes is very close bringing; reciprocal benefits in terms of opening up sites for local CLTs, development opportunities for Palace Green Homes and gives the CLT access to technical skills related to housing development. Here the Director of Palace Green Homes takes the lead in drafting the Business Plan.

The management of the relationship between the Board for Action in Rural Communities in Sussex (AiRS) and the Sussex CLT offers an interesting mechanism for ensuring the good governance of the CLHEH where it is hosted by another organisation. Operational management of the CLHEH is provided by an advisory group, whose members are drawn from the funders of the CLHEH and those organisations that have a key role in the delivery of CLH. The Director of AiRS also sits on the group and therefore is able to advise the Board on the business planning needs of the CLHEH.

None of the Boards take on responsibility for unlocking operational barriers, but they all recognise and act to secure a positive strategic context for CLH. For a number this is a reflection of the participation of Board members in wider strategic housing and political networks.

All the governing bodies have members with experience that is directly relevant to delivery and management of affordable housing, for all but two this is specifically on delivery of CLH. For the majority the members also have skills in property development, finance and business development. As secondary co-ops the Co-op Hubs governing bodies have membership of elected representatives of the local co-ops that they support, but their Boards also include local authority and host organisation representatives and external specialists. Interestingly, apart from the independent Chair, all the Board members for East Cambridgeshire are either officers or elected councillors of the Council.

The extent to which the CLHEHs are run by the local groups they support is variable. It is strongest for the co-op Hubs where members are directly elected by their peers to sit on the Board. However, this has the potential disadvantage of making it difficult to attract Board members with the requisite skills, particularly in financial management and business development. Legal entities, such as Community Benefit Societies and Community Interest Companies that enable community members to have a proportion of the total voting rights available alongside individuals who have no direct relationship with local community groups might offer the best way forward for CLHEs.



Learning Points: governance

- All CLHES need to be accountable to a governing body that will set the strategic direction and take ultimate responsibility for the Business Plan and financial sustainability of the CLHEH. This can be bespoke to the CHEH or the governing body of the host organisation.
- Where the CLHEH is hosted by another organisation there should be clear and distinct reporting, business planning and budgeting for the CHLEH service to provide transparency and build the trust of those with whom the CLHE works. These roles can be supported by an ‘advisory group’ made of key partners, but it should have a formal route into the host organisation’s governing Board.
- Business Planning needs to be done in collaboration with those organisations that will have a key role in delivering the CLH. Again an Advisory Group for the CLHEH that feeds into the Board can provide this facility.
- The person leading the CLHEH service is probably best placed to draft the CLHEH Business Plan. This will ensure that that activities and budgets are informed by realistic financial and operational assumptions, including likely levels of demand for the service and delivery of CLH.
- Membership of the governing body needs to include people with expertise in the building blocks of CLH development, but also entrepreneurial, business development and business management skills, including financial management.
- Whilst the Board should be informed of operational matters, using the data provided by a Programme Performance Management Reports, its role should be on running the Hub and focussing its influencing activity on achieving a supportive strategic context for CLH. A CLHEH advisory or steering group is best placed to handle operational matters.

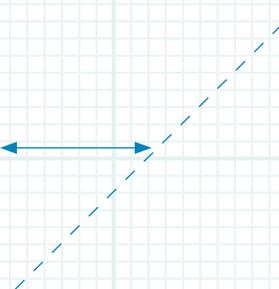
6.5 Working with local and national partners

Framework objective 5:

The CLHEH should nurture positive relationships with key public and private sector organisations whose resources are essential to the delivery of CLH

Working with local partners

Ultimately, the CLHEH will be judged on the delivery of CLH, but it cannot do this alone. It can provide communities with the skills and expertise they need to lever in resources, but their actual availability is down to the decisions made by external partners. Primarily these are organisations that control access to land



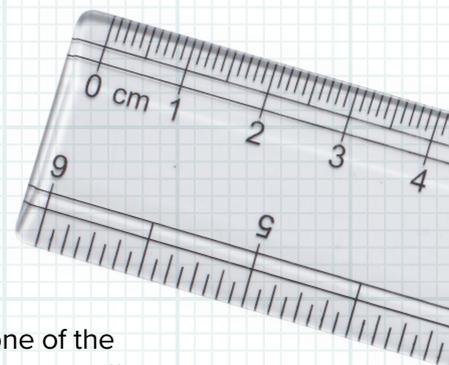
and capital funding. It should, therefore, be expected that any CLHEH will devote resources to developing and maintaining strong and constructive relationships with local authority housing, planning and asset management departments; housing associations and local developers, private/charitable lenders and grant funding bodies, such as the Homes and Communities Agency and charitable/private lenders.

Of course, these relationships must be carefully managed so CLH groups know that the CLHEH is prioritising their needs, not the needs of their partners. This will be particularly important in areas where groups have formed in opposition to proposals by local authorities, housing associations or developers, and where collaboration needs to be fostered. The politics of these situations will require careful attention, especially where the financing of the CLHEH is dependent on the input of partners. Generally the housing associations and local authorities respondents valued the mediating role of the CLHE. However, one noted that within their organisation it was questioned why funding was been given to an organisation that took a line that was sometimes at odds with their own business needs.

Whilst the earlier community enabling organisations often recognised the importance of these partner relationships, they did not always put in place the mechanisms for nurturing them. Those services that have survived have made concerted efforts to formalise these arrangements. For three of the RHE services this has been achieved through a Memorandum of Understanding or formal Partnership Agreement that sets out the expected roles and responsibilities of the RHE service and its respective partners. These are implemented and monitored through membership/network meetings drawing on up to date Programme Performance Management information. As noted earlier these same arrangements provide the partners with a voice in how the service is delivered which in turn builds their trust and support for the enabling service.

The interviewees identified local authorities and housing associations as their key partners, with the addition in two cases of the LEP. For all of them considerable effort and time is being put into building and maintaining these relationships. For example, much of the first year of Wessex CLT's operation was spent building strong contacts with local authorities and housing associations and promotion of CLH remains one of its key activities. CCH has also spent much time working closely with key housing association and local authority partners to foster the growth of housing co-ops in Wales. For all CLHEHs most contact with partners is at scheme specific level, with few formal partnership meetings specific to the work of the CLHEH.

Interestingly, however, for all but one of the CLHEHs there are either formal partnership agreements in place or under consideration. Wessex Community Assets has a formal agreement with the housing associations it works with on partnership CLT schemes. It is also proposing to have formal agreements with the communities it works with setting out the services that Wessex CLT will offer.



One of the co-op Hubs already has a partnership agreement with one of the councils it works with whilst another is expecting that such arrangements will emerge as it takes on more consultancy type work.

Care is required in choosing the type and nature of any agreements that are used by partners to specify the service to be provided by the CLHEH as illustrated by the experience AiRS. In the past its RHE service was commissioned through separate Service Level Agreements with a number of local authorities, with very bespoke outcomes and outputs for the service. In practice these proved very difficult to manage and meet because the differences in community and political interest in affordable housing per se and the progress of schemes was unpredictable over time and geography.

Working with local politicians

There was a distinct divergence between the co-op Hubs and the other CLHEHs in how they work with local politicians. For the former, contact was frequent and positive. Indeed, many of the co-op schemes on Merseyside had developed because of these political connections rather than in spite of them. In contrast, for Wessex and Sussex CLTs this was given much less profile as a specific activity, although in common with all the CLHES working with ward councillors is a key feature of supporting specific CLH schemes.

It was interesting to note two comments made by a community representative and partner organisations. Both noted the limited understanding that still exists amongst local politicians of what CLH is and what benefits it could bring to their communities and meeting their council's strategic objectives. One also noted how the CLHE can be a vital go-between where officers and councillors have a different understanding of CLH as a means of delivering affordable housing.

Working with National Organisations

All the CLHEH's noted that they worked with national organisations. For the CLT Hubs this was primarily the National Community Land Trust Network; for the co-op Hubs it included CCH, BSHF and co-ops UK and international organisations that promote this model of CLH; in Wales CCH is a member of the Welsh Co-operative Housing Network that includes housing associations and the Welsh Government. Only CCH specifically mentioned strategic working with Locality and other national organisations that support delivery of alternative models of CLH, such as the Cohousing Network. However, others identified these as external sources of support that they drew on to extend the advice and support they are able to offer community groups.

Both interviewees from the CLT Hubs and the CLT communities highlighted the value they placed on the campaigning of the National Community Land Trust Network and the role they had respectively played in supporting this activity. In particular they cited the safeguards that had been achieved for CLTs from the Voluntary Right to Buy. However, there was some misunderstanding of what had actually been secured.

Commonly too all interviewees highlighted the critical importance of revenue funds provided by national organisations to fund the early work with communities as they consider their options and form a group. Equally, important is access to pre-development funding as groups prepare their scheme designs and planning applications. For the CLT Hubs this funding has been a vital to them managing their cash flow, an issue that is explored in greater depth in the next section of this report.

← **Learning Points: working with partners**

- However good the CLHEH is in supporting communities it will only be able to deliver CLH if those partners that control access to land and capital finance are fully signed up to using their resource to ensure the homes are built. The most critical partners are local authorities, housing associations and providers of capital finance.
- The CLHEHs need to put time and resources into building and maintaining these relationships and this should be reflected in the job descriptions of the CLHEs and the CLHEHs budgets.
- CLHEs need to have good mediation skills that help broker compromises by which communities achieve their scheme, partners do not withdraw and acknowledge the benefits of a de-risked scheme as a consequence of the input of the CLHE.
- It is necessary to have a formal agreement between the CLHEH and partners, particularly local authorities and housing associations. These ensure that there is clear understanding of the roles of the respective organisations, helps secure ‘buy-in’ from local partners by introducing a means of holding all partners and the CLHEH to account. However, the framing and type of agreement needs to take account of the area covered by the CLHEH and the unpredictability of delivery.
- Local political support needs to be nurtured and encouraged. It needs to include politicians within the community, but also those that have influence and shape strategic direction and policy. To achieve this time and money needs to be factored into the budget for promotion and training of local politicians, alongside wider promotional activity that celebrates success.

- The links with national organisations provide additional technical expertise and support to the CHLES and funding particularly for the very early group formation and pre-development activities.
- There are reciprocal benefits in the relationships between national CLH organisations and local groups. Through campaigning and influencing the former can help put in place a positive national policy and funding framework that supports CLH. Instrumental to their success is the evidence and local campaigning carried out by local groups and the CLHEHs.

6.6 Financial Strategy and Sustainability

Framework objective 6:

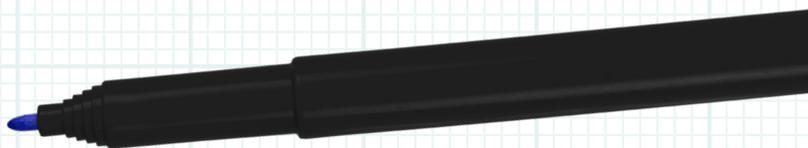
The Business Plan, including the financial strategy, ensures the CLHEH can be financially sustainable in the long term

It is salutary to note the demise of previous enabling services as a result of a lack of funding as national and local grant funders have withdrawn from financing these services, often as a consequence of cuts in their own budgets. Those enabling services that have survived do so as a consequence of being able to draw on funding that is a mix of income and grant. They are part of a strong local partnership structure with members who are willing to support enabling activity and deliver affordable housing in communities where the enabler works.

This is particularly marked in Scotland where the Phase 1 evidence identified that only one of the three rural housing delivery organisations was financially sustainable. Early in its life the Board realised that fee income alone would never be enough to fund the organisation and they have adopted a financial strategy that draws on a range of income sources, grant and rents from stock they own.

Amongst the CLHEHs there is a polarity in their financial health. The two sub-regional co-op Hubs carry surpluses, whilst all the CLT Hubs are financially unstable. Their reliance on fee income from development leaves them exposed to the unpredictability of schemes reaching completion, resulting in problems of cash flow. Without significant pre-development revenue funding against which they can charge for services or internal cross-subsidy from the host structure they would collapse. What is evident from all of these Hubs is that it takes at a minimum of four years for them to become financially self-sustaining.

Of particular note, therefore, are the views of housing associations that have or are expected to largely fund CLT Hubs through the partnership route. As they face tighter financial pressures on their business plans many are withdrawing from small rural affordable housing schemes, including those developed as CLTs. The interviews with these partners highlighted that their willingness to engage is



increasingly dependent on them receiving largely de-risked sites. It is recognised that the CLHE has a significant role in supporting communities to bring these forward. Equally, they consider the development fee charged by the CLHEs should reflect the level of direct technical input by their housing association and take account of scheme economic viability.

The position in Wales is very different where with strong political support and funding from the Welsh Government housing associations are taking a lead role in promoting and supporting co-ops as part of their development programmes. However, even here some housing associations have been slow to come on board because of the lack of capital grant after the first three pilot co-operative housing projects.

One response to the lack of housing association interest will be for CLHEs to give more support for stand-alone CLTs and other forms of CLH. In themselves they will require more CLHE input, but this will particularly be so in areas where there is not a pool of local community voluntary capacity able to take on some of the complexity of building and managing CLH schemes. It is likely to mean fewer schemes coming forward in a given time period and therefore less fee income. This will give rise to questions around whether the fee income is sufficient to cover the additional support required, but caution that raising the level will break the economic viability of schemes resulting in no delivery.

In contrast, the co-op hubs, which have been existence for many years and provide support services, fee earning management and maintenance services and in some cases rental income from housing assets they own, are financially very healthy. Their ability to expand is more a function of access to capital funding than revenue to support the CLHEH service. NWHS in Liverpool is a good example. It has £1.8 million of reserves, operates a £250,000 revolving loan fund facility for its member co-ops and has just invested £4000 in a community share issues by, amongst others, Leeds Community Homes. NWHS has no housing assets of its own. Its fully mutual model has secured them a cost-sharing agreement with HM Customs and Excise which means all transactions between the Hub and its members are exempted from VAT.

Together these experiences highlight the key importance of Hubs being able to access other forms of income than simply charging for enabling services through development fees. The three sources that could fill the gap are: early stage funding to support initial work with groups undertaken at risk; affordable capital finance, grant and affordable loans, to ensure land is purchased and schemes are built and generate sufficient fee income to cover costs; and the CLHEH developing assets in its own right, taking a long-term income in the form of rent, sales and management from the scheme.

The history of the secondary co-op network provides a critical and salutary lesson. Its members were always highly dependent on an on-going co-op development programme, almost exclusively funded through the Housing Corporation. It allowed them to build homes that provided an asset base for funding their on-going support for existing and newly emerging co-ops. During the 1970's, with national political support, 10% of the Housing Corporation's programme was assigned to funding co-ops that nurtured the emergence of a network of 17 secondary co-ops. Although the failure to reach this level of activity led to this funding target being withdrawn, co-op development continued apace, supported by the growing secondary network. However, the switch of capital funding to housing associations, the introduction of private finance into Housing Corporation funded schemes and the abandonment of fair rents, all contributed to a reduction in new co-op development projects from the early 1990s. This in turn served to undermine the financial viability of the secondary support network. Today there are only five secondary co-ops. The survivors have one important thing in common; they have or had assets, or have been for a period at least, sheltered within larger organisations that have assets.

Being able to expand the income base for the CLHEH will have a significant impact on the choice of legal entity, coverage of the service and capacity of the CLHEH. The legal structure has to provide the opportunity for the CLHEH to raise loans and own assets. The geographical coverage has to be big enough for the CLHEH to develop a pipeline of schemes that will make a significant contribution to covering its costs. Staffing levels have to be large enough to provide a service across its chosen territory. Like many businesses the latter in particular poses a challenge. Do they take the risk of expanding to provide the income they need to survive? The availability of grant funding for the organisation and scheme pre-development funding is critical for CLHEHs to take on and successfully manage this risk.

Given the variation of the CLHEHs investigated for this study in terms of their size, lifespan, business model and degree to which they are embedded within a host organisation it has been impossible to identify a single cost for providing a CLHEH service. As independent businesses the details of their finances are confidential, but on the grounds that this would be respected the CLHEHs have provided us with their income and costs. Table 3 shows the range for 2016/17.

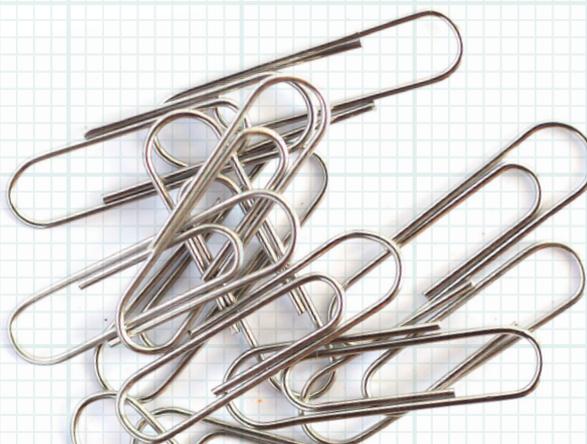


Table 3: Range of income and costs for existing CLHEHs*

Annual Income	CLHE Employment Costs	CLHEH costs minus employment costs
£20,500 - £2,089,000	£21,000* - £1,389,4988	£9,000 - £374,512

* This is for a 0.5 FTE post

Bringing this evidence together still only allows the research to identify key headings that Power to Change should expect to see in a budget. Table 4 sets these out with some of the points that applicants will need to consider when setting the income and costs.

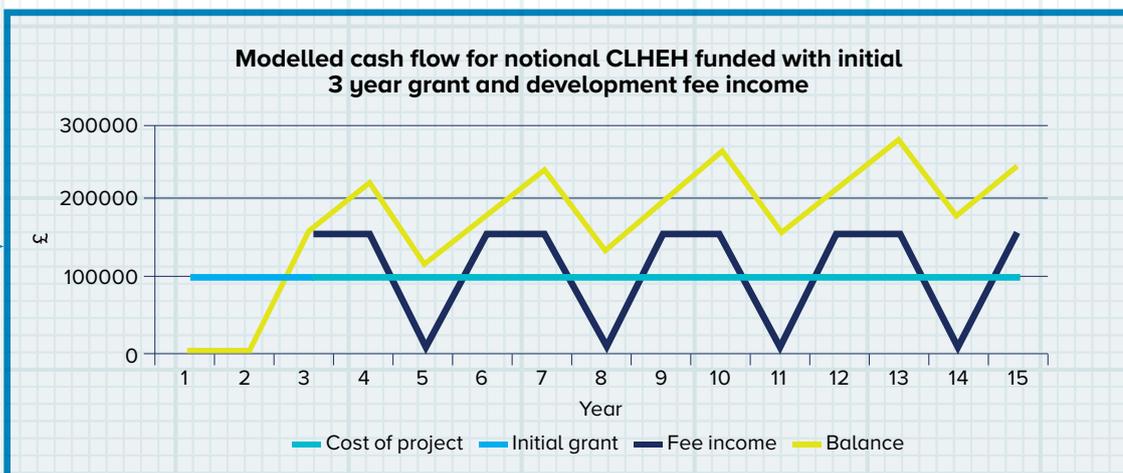
Table 4: Key elements of a CLHEH budget and risks that should be considered

Budget element	Points to be considered
income	
Development fees	Is the income fee realistic in terms of: The workload of the CLHE? The availability of capital finance for schemes to progress? The interest in CLH of development partners?
Consultancy fees	Are there clients with money available to pay for the services that the CLHEH is offering?
Grants	Over what time period will be this available? What are the plans for when grant ends?
Ongoing management fees,	Are they exploring the potential to provide post-development services?
Loans	Who is lending, for what period of time, is this tied to a specific activity, what is the interest rate?
Building an income earning asset base	Do they have the legal entity and or plans to develop assets in their own right and use the income to support the CLHEH?
Costs	
Salary with NI and Pension with annual increase in line with inflation and statutory redundancy provision	Does potential shortage of individuals with the necessary skill mix require higher salary levels? Some market testing would be advisable.
Professional and personal indemnity insurance	Do they have the required PII cover? This will be particularly important? If they are offering specific technical advice such as design, planning applications, viability etc.

Travel	Does it take account of the geography of the proposed CLHEH?
Promotion and marketing	Has this been weighted towards early promotion and allows for this to be an on-going activity?
Training and Networking	Is there enough to ensure that CLHEHs are able to keep the skill base up to date and expand their expertise?
Consultancy costs for bringing in external advice	These will vary according to the external advice/expertise being sought and its availability, some market testing would be advisable

The vexed question is what period should the initial grant funding cover. Except for the Co-op Hubs none of the CLHEHs are in a long-term stable financial position. The unpredictability of the pipeline means that they are either facing a problem with cash-flow or, for two of them, a running deficit that it will take at least a further two years to turn around to build sufficient reserves for the CLHEH to survive.

To try and shed more light on how long it takes for a new CLHEH to become sustainable the research was able to look at the joint Community Housing Sector proposal for year's 2- 4 of the Community Housing Fund. It modelled costs for expanding CLHEH sub-regional type support. Drawing on the Wessex experience it assumed a notional annual Hub cost of £100,000 per annum, an initial input of grant of £100,000 per annum for three years and subsequently fee income from development of 12 schemes (120 units) at 2,666 per unit paid in two tranches, start on site and completion. The graph below shows that if schemes are delivered then the CLHEH can become sustainable at year 3, but the margins remain tight and any slow down in development would quickly affect cash flow and the financial viability of the CLHEH.



Again this emphasises that it is imperative that the Hub is able to draw on other sources of income to act as a buffer when cash flow falters. Two sources of indirect funding are critical to this being achieved, capital and revenue.

Capital funding

Capital funding, grant and affordable loans, ensures delivery of CLH from which CLHEHs derive income either from development fees or from the rents, sales and management income where they build and own assets in their own right.

As noted earlier in this report the decline of the secondary co-ops network was in large part a consequence of the loss of capita funding for co-op housing. To some extent this was recognised by the Welsh Government in its Co-operative Pilots Programme that provided grant funding for three pilot co-ops. Equally, that subsequently its more limited availability was cited in the evaluation report of the Welsh pilot programme as a reason for the slower development of additional Co-ops and for the limited number of citizen led CLTs coming forward.

The interviews with housing associations for this research also highlighted how the loss of grant for affordable rent during much of 2016 and the required 1% cuts to rent between 2016 -20 has made them much more risk averse. In consequence their appetite for partnering in a community-led housing has diminished, particularly where the scheme is small and in a rural location.

The alternative is for a community to develop themselves, raising their own finance, but two of the community groups raised concerns at the cost of loans and a third stated that their group was not willing to take on complexity and responsibility of developing a stand-alone scheme. It is these concerns that partially explain the lower growth in CLTs outside of the South West where the principal CLH model adopted has been partnership CLT. Under this approach the community own the freehold and the housing association takes responsibility for the development and manages the homes on a long lease.

Pre-development Revenue Funding

Pre-development revenue funding has two roles. For individual CLH schemes it provides the funding that means they community can build support, form a legal entity and bring a robust scheme to planning application stage and thence into development. For the CLHEHs this funding can be used to buy in their services and cover a cash flow gap before development fee income comes on stream, with the first payment usually being made when a scheme starts on site.

→ The evidence collected for this research shows that whilst CHLEHs can become financially sustainable it takes at least four years to build up the necessary reserves to cover cash flow gaps. Without funding to smooth out cash flow CLHEHs may have to fold and will certainly find it difficult to expand the service so that it has sufficient through put of schemes to build the reserves necessary for it to be financially viable.

Equally, the interviews with three representatives of community groups highlighted that without pre-development funding their schemes would not have progressed.

It is interesting to note that to an extent this pinch-point was recognised in the Housing Corporation's funding of the secondary co-ops during the 1990s. It provided significant amounts of revenue for secondary co-ops to keep them afloat as development funding was increasingly focused on housing associations. Some of this revenue was for the secondary co-op to employ Education and Training workers to provide education and training to local groups, recognising that their sustainability depended on members understanding all the ins and outs of running a small housing organisation.

Learning Points: financing a CLHEH

- New and existing Hubs in their early years require a stable source of grant funding for at least four years to take account of the need to build up demand, gain momentum for CLH and the unpredictability of schemes progressing from initiation to completion.
- Given the need for early intensive promotion of CLH and the CLHEH service, plus the delay before the CLHEH begins to receive income, any grant funding could be front- loaded.
- Some of the host organisations carry significant surpluses that could be invested in an expanded CLHEHs, thus reducing the need for further grant funding. Alternatively, surpluses could be used to invest in stimulating demand and increasing the pipeline.
- In contrast, some new or existing CLHEHs that are heavily reliant on development fee income will require higher levels of grant funding. This will be particularly the case where there are constraints on external resources that will ensure delivery. For example, limited access to public land, more restricted sources of capital funding and in areas of low market values where it is not possible to charge high development fees without compromising the financial viability of schemes.

- CLHEHs need to be structured and have a legal entity that allows them to draw on a range of income sources, including community shares and rental income from schemes they develop and own themselves.
- Capital funding in the form of grants and affordable loans is critical to CLH being developed and thence paying development fee income to pay for CLHEH services.
- Pre-development funding to pay for contract fee earning activities such as supporting groups as they start up and submit their schemes for planning permission is critical for CLHEHs to manage their cash flow.



7. Conclusions and advice for Power to Change as it designs and receives applications for its community-led housing programme

The research undertaken for this study has revealed both diversity and commonalities amongst enabling organisations and existing CLHEHs. These features have contributed to those services included in this report being responsive to the characteristics of the area in which they operate whilst also offering, or having the potential to offer, a complete CLHEH service. Designing a Programme and application process will need to provide scope for this local flexibility and ensure that the core components of what makes a successful CLHEH are in place. Drawing on the learning points under each framework objective this section of the report seeks to distil advice that Power to Change could use to design the application process or assess bids to its community-led housing programme to support CLHEHs.

← Conclusions for Framework objective 1:

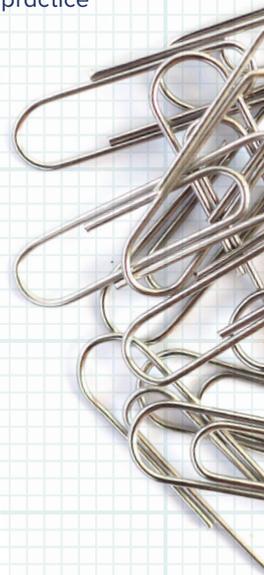
Communities are able to access local face-to-face technical support to explore and deliver a range of CLH forms.

The conclusions of the research are that CLHEHs can be stand-alone entities or hosted by another organisation, however, the risks attached to location in a single local authority or housing association suggest these are not normally appropriate hosts.

It also concludes that there is no one geography for a CLHEH but critically the spatial unit must have resonance with delivery partners who will bring land, funding and delivery skills that ensure the homes are built. Without this buy-in no matter how good the CLHE, the communities they work with ambitions to build homes will go unfulfilled.

Over the next few years the geography of CLHEHs is likely to evolve, especially if some of those applying for funding under the Power to Change Programme are existing Hubs seeking to expand their services. One approach that may be more realistic and lower risk to extend CLHEH services could be for a Hub to develop into a Hub and Spoke model and later potentially floating off spokes to become new Hubs. Through this gradual evolution there can be considered management of the demand and supply of services, reducing the risk of the CLHEH exhausting revenue earning potential too quickly because their coverage is too small and/or insufficient schemes are in the pipeline. Key to managing this risk will be early and continual promotional activity to ensure that demand and regular programme management reporting.

Whether a new or expanding CLHEH, the geography will have to be large enough to build a pipeline of schemes that will in time provide fee income to contribute to covering the costs of the Hub. Whatever the geography this will require time and effort being put into promoting the concept of CLH and building and maintaining relationships with key partners.



Questions for new and emerging Hubs

- What support does the CLHEH have from those local partners who are critical to the delivery of CLH?
- What are the reasons for the geographical coverage being proposed?
- How do you see the CLHEH service evolving in terms of its geography over time?
- Is there a budget and plan for promotion of the CLHEH?

Conclusions for Framework Objective 2:

Hubs are able to make available individuals with the skills to support communities coming together to make an informed choice across the different forms of CLH and deliver the form of community-led housing that best meets their needs.

What all the CLHEH Hubs had in common and was particularly valued by community groups was the facility to provide face-to-face support from the start to the completion of a scheme, for some extending through into management and maintenance. The research identified the need for CLHEHs to offer access to the full range of skills with expertise in community facilitation; legal advice covering group structures, land purchase and leasing; housing development and project management at their core. This maybe directly by the Hub or by buying in expertise, particularly on the more technical aspects of site, plan and build stages using partnership agreements or contracts with partners to specify and ensure the timely input of their skills.

A stark finding of the research was the lack of formal training for CLHEs and, associated with this, no quality assurance of these services by an external body. There is a danger that this will constrain the formation of new or extension of existing CLHEHs as it seems unlikely that there are sufficient individuals with the requisite skill mix to meet the growing demand.

This is such a fundamental challenge to the success of any CLHEH that we would strongly recommend that Power to Change either directly or source additional funding to support a training and quality assurance facility. One option could be to offer a programme of accredited learning, such as that used by the New Economics Foundation to support the use of its Social Return on Investment methodology.

Questions for new and emerging Hubs

- Which skills and expertise will the CLHEH provide? How many will be provided by staff employed directly or contracted to the Hub and which will be brought in externally?
- Who will provide the skills and expertise that is to be brought in and how will this be funded?

Conclusions for Framework Objective 3:

The resources of the CLHEH are well-managed targeting support to where it is most needed and will support the sustainability of the Hub.

For all the CLHEH there was clear line management of the enablers, which was aligned to work-plan management. However, whilst Programme Performance Management was used to inform this process, in only one instance did this involve key partners. As CLHEHs are likely to be covering areas that involve more than one local authority, housing association and other delivery partners this could become problematic. Potentially this will expose the CLHEs to competing demands on their time and make it difficult to tackle barriers to delivery. Crucially, it also means those partners do not have a say in the deployment of the CLHEH resource. Without this there is a danger they will withdraw their support, which will ultimately affect the delivery of the homes sought by communities.

Questions for new and emerging Hubs

- Who will provide line and work-plan management for the CLHEH?
- If a form of internal contracting is to be used, who will manage the contracts and co-ordinate the work of the contractors
- How will key partners have a role in the management of the work-plan?

Conclusions for Framework Objective 4:

The CLHEH has clear governance arrangements that work to further the 'Hub' as the local leader for CLH.

The legal forms that provide the framework for the CLHEHs vary, primarily being that of the host organisation with variation between them reflecting their principal function. The research found that generally governing bodies work well, but there can be tensions and potentially a risk to the impartiality of the CLHEH by such close relationships. To mitigate these an intermediary advisory group with a formal link to the parent governing body is a good way forward.

To ensure the financial sustainability of the CLHEHs, the legal entity has to have provisions that allow the Hub to raise income from a range of sources and crucially, to enable it to hold assets.

Questions for new and emerging Hubs

- What will be the governance arrangements for the CLHEH including where it is hosted by another organisation?
- If the CLHEH is hosted by another organisation how will it ensure that its business needs are included in the business plan of the host organisation?
- What are the skills mix of the members of the governing body?
- How will local communities be involved in the governance of the CLHEH, without compromising the governing body's access to the skills it needs to run an effective and financially sustainable organisation?
- Will the legal entity that governs the CLHEH give it the flexibility to raise income that will support the financial sustainability of the Hub?

Conclusions for Framework Objective 5:

The CLHEH should nurture positive relationships with key public and private sector organisations whose resources are essential to the delivery of CLH.

Ultimately, however good the CLHEH service is, community-led housing will only be built if local partners are willing to deploy their skills and resources. This requires that they are fully bought into and have confidence in the CLHEH and

that time and resources are devoted to promoting the service and building and maintaining positive relationships with partner's officers, local leaders and senior politicians.

Questions for new and emerging Hubs

- What steps and resources will be used to promote the service and build strong supportive relationships with delivery partners?
- What formal agreements will be used to secure the buy-in of delivery partners?
- What arrangements are in place to give delivery partners a voice in the shaping of the business plan and the operational running of the CLHEH?

Conclusions for Framework Objective 6:

The Business Plan, including the financial strategy, ensures the CLHEH can be financially sustainable in the long term.

The research identified a significant difference between the sub-regional co-op agencies and the remaining CLHEHs in terms of their financial viability. Whilst the former are secure the latter are financially precarious, primarily because they are heavily dependent either on grant or development fee income that, due to the unpredictability of schemes completing, means they often face cash-flow problems. Given these uncertainties it is critical that CLHEHs choose a legal structure that allows them to raise income from a range of sources including from assets they own.

All the recent CLHEHs have benefited from an initial injection of grant funding for at least three years to cover all the costs of operation. This is critical, but for the cash-flow reasons noted earlier, there may

Fundamentally, for there to be any chance that CLHEHs reach the point of financial sustainability it is essential that there is capital finance, grant or affordable loan funding, to ensure CLH is built and income can be levied. Equally, there needs to be pre-development funding from which CLHEHs are able to charge consultancy fees, essential to cover gaps in cash flow, but also for schemes progressing to completion.





Questions for new and emerging Hubs

- If the new CLHEH service is an expansion of an existing service is it able to draw on surpluses to expand its operations, whether in terms of geography of the forms of CLH it is able to support?
- What are the proposed income streams to support the CLHEH and does the legal entity of the Hub or its host allow the raising of finance from a range of sources, including from assets owned by the organisation?
- Does the governing body have the requisite skills to develop and run a financially sustainable organisation?
- What steps and contributions have been secured from local partners to bring greater certainty and speed to the delivery CLH? This may be in the form of policy or resources including land and access to capital finance in the form of grant or loan.

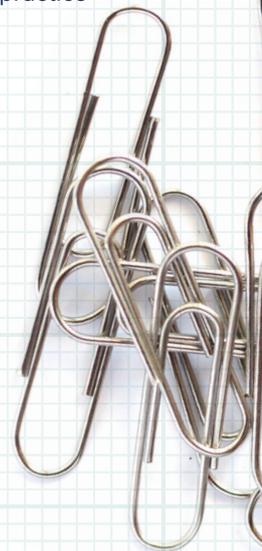
Overarching conclusions and recommendations

Throughout this research the commitment of all the organisations to support communities meet their housing needs was abundantly evidenced. How they achieve this is different with each one having different strengths and weaknesses. What unites them is that they are all the result of local recognition of a problem and a route to solving it. From this it is, therefore, of no surprise that each one is designed and responsive to the local circumstances in its area of operation.

It is this local responsiveness that is one of the strengths of CLHEHs; there is no single model. However, by examining the range of existing practice this research has been able to distil a set of common factors that underpin an effective Hub. These are encapsulated in the learning points and conclusions that are presented in this report. In designing and assessing bids it is important that Power to Change use these factors as the parameters, but allow for local flexibility in how these are met.

With this approach at the heart of its assessment process there are five critical success factors that Power to Change should require from any nascent Hub.

1. Geographical coverage that is big enough to support the sustainability of the Hub in the longer term - not too small that it reaches capacity within 3 years and then runs out of funding because there are no or only very limited opportunities for new CLH schemes to come forward.
- 



2. A Business Plan that shows how the Hub will be financially supported and sustainable over the next 5 years. This means that through the application they will need to demonstrate that consideration has been given to how they will raise income from the outset. Whilst it is unlikely that there will be any certainty over the numbers for the later years, it will give Power to Change the opportunity to reality check the forecasted numbers and strategy.
3. Related to the above, the applicants need to demonstrate that they will have the ability to hold and gain an income from assets. They do not need to include steps by which they will do this, but have a structure, or be part of a structure, that leaves this opportunity open.
4. An ability to offer, at a minimum, the following key skills and expertise:
 - community development/organisation
 - knowledge of the legal structures that underpin the range of CLH housing
 - the technical process of housing development, whether new build or refurbishment

It is not necessary that this is provided by one person, or even through an employee of the Hub, but where it is not provided internally the applicants need to show where and how these skills will be contracted and managed.

5. Evidence that the Hub has the support of key local partners who will bring their own resources and expertise to delivery so community ambitions are translated into homes on the ground.

For some applicants setting up and running a Hub will be a new venture, with little or no experience of community-led housing amongst partners. So whilst the presence of these factors is essential, Power to Change may need to support the applicants to consider how they can put them in place in a way that is appropriate to local circumstances.

Ultimately, it is the community groups who use the service and those that live in the homes provided who are the key beneficiaries of CLHEHs. The feedback from communities collected for this research is testament to the value that they bring and the catalytic role they play. To quote just one, 'no enabler – no scheme'. Power to Change's community-led housing programme, informed by this research, has the potential to ensure that more communities are able to gain the support they need.

Appendix A

A brief history of the secondary co-operative housing network and lessons for current efforts to expand the support infrastructure for community-led housing

Although there are no evaluations or reviews available, the experience of the secondary housing co-operatives that emerged in the 1970s has strong resonance with the current interest in developing a new network of support Hubs for community-led housing. Their purpose was to provide a range of development, training and management services to housing co-ops. In 1990 there were 17 such co-ops, today there are only five.

Nurtured by strong national support the Government made funding available to support the development of secondary co-ops that by 1990 numbered 17, owned and controlled by their member housing co-ops. These secondary co-ops essentially came from two different routes. They were either set up from scratch as consumer-controlled organisations, as units within housing associations specialising in co-op support or as housing associations in their own right.

However, this network was far from comprehensive. A community wanting to set up a co-op and needing support would have found it readily available in many of the large conurbations, but entirely absent in most rural or small town locations – an interesting contrast to the current position.

Co-ops starting up in London and the Home Counties, for example, could find at least eight agencies willing and able to offer services; in Birmingham they could find two, in Leicester, Liverpool, Manchester and the North East one. But everywhere else there was little or no coverage. Unsurprisingly, few housing co-ops emerged in these locations – the growth of co-op housing was largely clustered around the urban-focused agencies that were set up to support them.

Banks of the Wear Co-operative Housing Services in Sunderland is a good example. At its peak in the mid 1980s, this secondary co-operative was supporting 21 independent co-ops across the North East with 15 employees and a turnover of £2 million a year. It employed architects, development specialists, financial experts, co-op enablers, trainers and housing managers. During the ten years from 1976 to 1986 it coordinated successful annual funding bids to what was then the Housing Corporation producing more than 500 new co-op homes.

During the late 1980s there was a conscious effort by the Housing Corporation, supported by the Government, to expand co-op service agency provision and fill many of the gaps. Ten per cent of its capital programme was available for new co-operative housing and it developed a national strategy for co-op support agencies, aimed at strengthening existing ones and encouraging more into the field, particularly in the gap areas. It commissioned feasibility studies to assess how such agencies could be established in regions like the South West. It provided start up grant funding and encouraged agencies to become self-financing within a few years. Some larger housing associations entered the field and so did a number of national consultancies.



There was also a recognition that the main limitation on further co-op expansion was not just about capital and revenue finance but also about a national shortage of specialists. The Government came forward with proposals in publications like, “Tenants in the Lead”, to establish new training facilities in places like Trafford Park as interest in tenant management of local authority estates increased.

However, the secondary co-operative network was always highly dependent on an on-going co-op development programme, almost exclusively funded through the Housing Corporation. The Government from the mid-1970s heavily promoted housing co-ops. A separate Co-operative Housing Agency was set up within the Housing Corporation by Housing Minister Reg Freeson in 1976. Charged with spending up to 10% of the entire HC funding on co-ops, it was closed down in 1979 having failed to achieve that target. During the 1990’s co-op development activity declined further when private finance was introduced for the first time into Housing Corporation-funded schemes and fair rents were abandoned.

The Housing Corporation did, however, recognise that secondary co-ops were the key not only to developing new co-ops, but more importantly in maintaining good governance and financial management of local co-ops. It, therefore, provided significant amounts of revenue for secondary co-ops to keep them afloat as development funding was increasingly focused on housing associations. Some of this revenue was for education and training – a recognition that co-op sustainability depended on members understanding all the ins and outs of running a small housing organization, which the Secondaries were best placed to deliver.

It was also an attempt to ensure that the Secondaries kept both themselves and their co-ops beyond the need for any regulatory intervention. It was not successful in that respect and several Secondaries were wound up, had funding withdrawn or simply withered on the vine as capital funding for new co-op development (through Housing Association Grant) reduced significantly.

In response to this loss of income some of the secondary co-ops turned to consultancy work, others took on property assets, sometimes from struggling housing co-ops, and others merged with housing associations. Most have now disappeared, leaving just five still operational:

Coin Street Secondary Co-operative/Community Builders in London - owns the freehold of 4 housing co-ops with 220 affordable units

Co-op Homes in West London, set up in 1985, provides services to 23 community housing organisations (mostly housing co-ops) across London. It owns 300 properties itself and in 2005 became part of the Richmond Housing Partnership, an RP with 9000 homes

CDS in London – information already in the report. CDS started life as a co-ownership housing society

North West Housing Services in Liverpool - information already in the report

Birmingham Co-operative Housing Services in Birmingham – part of the Accord Group since 1992 - information already in the report

Redditch Co-op Homes in Redditch, West Midlands was set up in 1998 and is also part of the Accord Group

With the exception of North West Housing Services (which was formed when Co-operative Development Services Liverpool merged with another housing association and the co-op-focused staff decided to setup their own organisation) all the remaining secondary co-ops have property assets, either in their own right or via their parent housing association, as well as providing a range of support services to housing co-ops.

A handful of housing associations also provided a co-op support role with dedicated staff in various parts of the country at that time – Riverside on Merseyside, Solon South West in Bristol and Bath; Leicester Housing Association in the East Midlands and Endeavour (now North Star) on Teesside. Riverside and North Star still provide a level of support for existing co-ops.

It is also interesting to note that in some cases housing associations stepped in to cover the work carried out by the disappearing Secondaries. Research carried out by CCH in 2001 showed that where housing associations had taken on co-op services as an 'add-on' there were difficulties and tensions, but where they had approached working with co-ops as an end in itself, the relationships had generally worked well.

There are a number of facets of the experience of secondary co-ops that have resonance with the current efforts to expand the support infrastructure for a new generation of community-led housing. Perhaps principally, the survivors from the 1970s and 1980s have one important thing in common – they have or had assets, or have been, for a period at least, sheltered within larger organisations that have assets. This has certainly helped them to withstand the ebb and flow of support for housing co-op development and enabled them to diversify their service offer. It is, perhaps, an important lesson from the past.

Appendix B

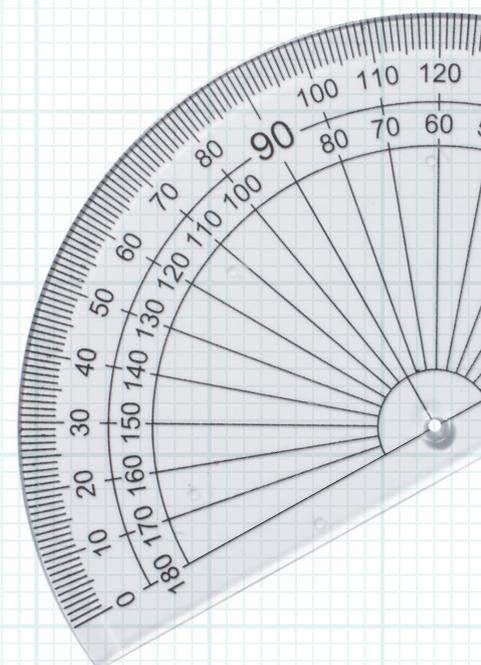
Organisations interviewed for the research

CLHE Organisations and providers

John Mcguigan	North West Housing Services
Nic Bliss	Confederation of Cooperative Housing
Carl Taylor	Birmingham Cooperative Housing Services and Redditch Co-op Homes
Linda Wallace	CDS Cooperatives
Bronwen Lloyd	Charter Housing
Dave Palmer	Wales Cooperative Centre
Debbie Wildridge	East Cambridgeshire CLT
Phil Rose	
Steve Watson	Wessex CLT
Paul Sander Jackson	
Tom Warder	Sussex CLT
Jeremy Leggett	
Andy Lloyd	Independent CLH adviser
Stephen Hill	Independent CLH adviser

Community-led housing groups who had used a CLHE service

Mike Whelan	Heslington CLT
Bill Bewley	Keswick CLT
Brian O'Hare	Huyton Community Co-op for the Elderly
Carroll Reeve	Lavenham CLT
Emma Fletcher	Swaffahm Prior CLT
Denis Yell	Lyme Regis CLT
Rob Martin	Angmering Parish Council/CLT
Tim Arnold	Slaugham CLT
Andrea Smith	Allerdale Borough Council
Rachel Webdell	Torrige District Council
Andy Elder	Arun District Council
Louise Lote	Yarlington Housing Trust
John LeFever	Hastoe Housing Association (East of England)



Appendix C

Delivering community-led Housing: key activities

Group support activities

1. Define purpose & common values
2. Accountability/Membership
3. Legal constitution options
4. Democratic/consensus decision making
5. Clarity of roles and responsibilities
6. Development training: Costs, Risk, Tenure options; Partnership options; Local plan policies/political context; community-led plans/Community Engagement
7. Outline business plan, budget and financial management
8. Ongoing independent support to group throughout project

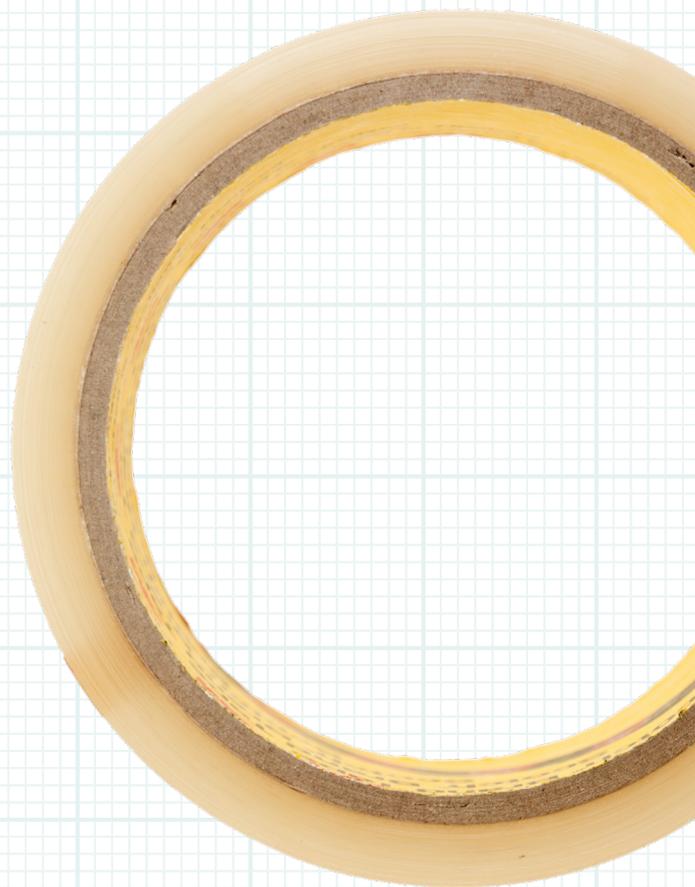


Site support activities

1. Site finding based on group's criteria
2. Valuation
3. Negotiating an interest in land/property
4. Development appraisal of site
5. Pre-planning advice
6. Site investigations
7. Sketch scheme layout
8. Financial feasibility/viability
9. Risk evaluation
10. Competitive bidding/procurement
11. Acquisition options
12. Due diligence

Plan support activities

1. Scheme design
2. Working up planning application
3. Financial feasibility/viability update
4. Build options inc custom build
5. Specification/ER's
6. Contract options
7. Value Engineering
8. Agreements with Local Authority
9. Budgetary control
10. Agreeing contract





Build support activities

1. Building
2. Services provision
3. Cost control - QS
4. Quality control - Clerk of works
5. Contract management
6. Budgetary control

Post completion support activities

1. Ongoing management
 2. Ongoing budgets - service charges; sinking fund
 3. Ongoing membership - sale & relets
 4. Ongoing democratic/consensus decision making
-

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