Small Sites Best Practice Guide

Success at Scale

Funder

GLA Small Sites Small Builders programme

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Introduction

Community-led housing (CLH) has emerged as an innovative approach to addressing London's housing crisis, offering a unique model that puts local communities at the heart of development. This best practice guide explores the opportunities and challenges of delivering CLH on small sites in London. It has a particular focus on the experiences of London Community Land Trust (London CLT), with some reference to other CLT experiences in London too.

As land for development becomes increasingly scarce and expensive in the capital, small sites present a valuable opportunity for CLH projects. However, these sites often come with their own set of challenges, from complex planning issues to financial viability concerns. This report aims to provide insights into how these challenges can be overcome; and how the potential of small sites for CLH can be maximised.

Drawing on case studies, interviews with key stakeholders, and an in-depth analysis of London CLT's projects, this report offers a comprehensive overview of the CLH process on small sites. It covers every stage – from initial community organisation and site identification. through to construction, allocation and long-term stewardship.

The findings and recommendations presented here are intended to inform policymakers, local authorities, community groups and housing professionals about the unique value proposition of CLH on small sites. By highlighting both the successes and the hurdles faced by projects such as London CLT's Citizens House, this report aims to contribute to the ongoing dialogue about how to create more affordable, community-focused housing in London.

Executive summary

Community-led homes provide additionality to the overall housing supply allowing local people to remain in their community with a stable and affordable home.

This report examines the delivery of community-led and genuinely affordable housing on small sites in London, focusing on the experiences of London CLT. It reveals that successful CLH projects on small sites in London are built on strong community engagement from the outset, with ongoing participation crucial to project success. However, identifying suitable small sites remains a significant challenge, with community groups often offered complex plots. The planning system presents another hurdle, as it does not yet fully recognise or accommodate CLH delivery, leading to delays and complications.

Financial viability is a key concern, with projects relying on innovative funding models, including community shares and specialised grant programmes such as the GLA's Community Housing Fund (CHF). Despite these challenges, community-led developments have demonstrated the ability to deliver high-quality affordable homes that meet local needs through a variety of land-acquisition routes. London CLT has exemplified CLH delivery through both indirect and direct development processes. In their St Clements project, they partnered with another developer who took on the project risk from start to finish. Additionally, through their Citizens House project, London CLT has demonstrated their ability to act as a direct developer, taking on all risks, including financial.

The report also highlights the importance of fair and transparent allocation processes for new homes, coupled with long-term community stewardship that is usually supported by establishing a resident management company (RMC), as essential elements for the enduring success of these projects.

While challenges remain, CLH development on small sites offer a valuable model for creating affordable, community-focused homes in London. With appropriate support and policy frameworks, this approach has the potential to make a significant contribution to addressing London's housing needs. We have also included case studies of all CLT projects reviewed for the purposes of this report in Appendix 2.

Glossary

Citizens UK – CUK

Community Benefit Society - CBS

Community Housing Fund – CHF

Community-led housing – CLH

Community Land Trust – CLT

Community Infrastructure Levy – CIL

Community Steering Group - CSG

Community Share Offer - CSO

Financial Conduct Authority - FCA

Greenwich Citizens Housing - GCH

Registered Provider – RP

Discount market Sale – DMS

London Community Land Trust – London CLT

Supplementary Planning Document – SPD

Rural Urban Synthesis Society – RUSS

Housing Revenue Account – HRA

Residual land value - RLV

Resident management company - RMC

Royal Institution of Chartered Surveyors – RICS

Supplementary Planning Document – SPD

Development Plan Document – DPD

Chapter 1 – Getting started

1.1 Community support

i. Establishing a community group

Community-led development differs from mainstream housing provision whereby it is truly people-led and has the potential to increase housing supply as well as improve health and wellbeing benefits for communities. Led by community groups, it fosters positive and mutually beneficial connections among communities, local authorities, and stakeholders. These collaborations aim to achieve a shared objective: providing more genuinely affordable homes for direct local benefit across London.

London CLT (previously known as East London CLT) was formed in 2007 as a response to the East London communities' campaign to secure land for the CLT during London's bid for the 2012 Olympics. At the time, Citizens UK (CUK) (then known as TELCO), the largest community organising federation in East London, was instrumental in bringing housing to the forefront of its agenda; and identified the opportunity to leverage the 2012 Olympic bid to secure land for the CLT.

> "Stories poured forth about the crippling costs of rent and home ownership markets that are out of reach … Neil Jameson, TELCO's Founding Executive Director, who had trained under the Industrial Areas Foundation in the late 1980s and exported Saul Alinsky's organising model to the UK, decided that housing needed to be a central plank of [CUK's] new agenda."
>
> Dave Smith, Founding Executive Director of London CLT, on the podcast 'On Common Ground'[1]

London CLT adopted a structure and approach closely aligned with the classic American CLT model (see Figure 1), while adapting it to the local legal and regulatory context in the UK. In particular, it was adapted to permanent affordability calculations; resale formula; and a non-profit structure. The detail around this is outlined below.

Figure 1: American CLT model descriptions

American CLT traits	Description	London CLT comparison
Permanent affordability	• CLTs in the US are structured to ensure the long-term affordability of the homes they develop, typically through ground leases and resale restrictions. • The goal is to keep the homes permanently affordable for low- and	• London CLT structured the affordability based on median incomes for the Borough for delivered projects, based on ONS data at the time of completion of the homes. Each project's finances will determine the level of affordability. For St Clements

	moderate-income households, even as the homes change hands over time.	homes are sold at around a third of market value. Citizens House (see Appendix 2a) provided homes for sale at 60 per cent discount to market rates, whereby the value is locked in perpetuity through resale price covenants in individual leases, and governance mechanisms to ensure these do not vary. • The goal is to keep the homes permanently affordable for those who can be used to address the growing gap between people who qualify for social housing and people who can afford to buy their own home.
Community control	• CLTs are governed by a tripartite board structure, with representation from residents, community members, and public/nonprofit stakeholders. • This structure is designed to give the local community a direct role in the decision-making and stewardship of the CLT.	• London CLT has the same tripartite board structure, with representation from residents, community members and public/nonprofit stakeholders. • This structure is designed to give the local community a direct role in the decision-making and stewardship of the CLT; and follows the principles in the statutory definition of CLTs that was being passed through Parliament when London CLT was being set up.
Dual ownership	• CLTs in the US typically own the land in perpetuity, while the homeowners own only the improvements (the house) on the land. • This dual ownership model separates the value of the land from the value of the home, making the homes more affordable.	London CLT aims to own the land at £1 nominal value to keep the housing affordable in perpetuity. The development is owned by the CLT and is held within the Trust. London CLT sets up an RMC which comprises the residents in the homes. This group is responsible for the maintenance and improvement of the homes.
Resale formula	When a CLT home is sold, the resale price is determined by a formula that limits the homeowner's equity appreciation, ensuring the home remains affordable for the next buyer.	When London CLT homes are resold, the CLT will calculate the median income within the borough to determine the resale value. This means prices rise with average incomes, rather than the open market.

Community-based development	CLTs in the US often engage in a community-driven design process, involving residents and other stakeholders in the planning and development of the homes and surrounding community.	London CLT projects are often collaborations with CUK organisations to ensure that the process is community-driven. The design process often involves local residents, possible future residents and other stakeholders in the planning and development of the homes and surrounding community.
Non-profit structure	CLTs in the US are typically organised as nonprofit, tax-exempt organisations, with a mission to provide and steward affordable housing for the community.	CLTs (including London CLT) are a community benefit society (CBS), registered with the Financial Conduct Authority (FCA) and are typically organised as nonprofit, paying corporation tax on charitable trading profits, rental income, interest and capital gains. It operates with a mission to provide and steward affordable housing for the community.

CUK had success with its Living Wage campaign. Originally launched in 2001, the campaign grew rapidly and involved cleaners, teachers, hospital workers and others to come together to overcome the injustice of low pay. It won support across the political spectrum, influencing political stakeholders such as Boris Johnson, David Cameron and Nick Clegg to back early calls and introduce a higher minimum wage nationally. CUK's democratic structure means that campaign priorities are decided as a result of their listening campaigns and the community-led nature of setting priorities for the organisation makes it difficult for political officials not to listen to CUK.

Working predominantly in an area of East London that was impacted by the Olympic Games, CUK managed to secure a public signing of an ethical charter by the Olympic authorities Lord Sebastian Coe (the head of the bid team and chairman of London Organising Committee for the Olympic Games (LOCOG)) and Ken Livingstone (Mayor of London at the time). This charter included the commitments of new jobs; a living wage for all Olympics staff; and, once the games were over, the building of 2,012 permanently affordable homes for local people through a CLT and mutual home ownership. However, although the charter was signed by the London 2012 bid team, LOCOG, and Mayors Ken Livingstone and Boris Johnson, the agreement was later reneged.

CUK and London CLT decided to take matters into their own hands. They began campaigning for land, with the help of housing professionals such as Stephen Hill (who acted as strategic adviser to the East London CLT).

London CLT continued to work closely with CUK and its member institutions, such as the East London Mosque and the New Testament Church of God, to build support and momentum to secure a new site at St Clements in Bow. Community organising tactics were instrumental in the early stages of the London CLT's establishment, and in keeping the community engaged throughout the long and challenging process of securing the St Clements site. London CLT held open member meetings to discuss any forthcoming negotiations. These allowed the community to collectively craft the CLT's negotiating position and priorities, such as ensuring permanent affordability, community-led design, and control over the CLT homes. This focus on community input and decision-making helped to keep members engaged and invested in the process.

London CLT partnered with the ethical property developer Igloo Regeneration to develop a competitive bid for the site, and coordinate a high-profile political campaign to acquire the St Clements site. In the end, the bid was won by Galliford Try. London CLT was invited to work with the GLA to ensure the CLT homes were retained as part of the wider development. For this development, as London CLT was not the primary developer, CLT homes could come forward without having to manage or finance the complexities of the development process. This allowed London CLT to become established without taking on too much development risk; and contributed towards building up financial reserves.

ii. Maintaining the community group

London CLT's success in maintaining the engagement of the community group is, in part, due to the prioritisation of community engagement and non-housing-related activities to build relationships and ongoing communication. For example, St Clements hosted the Shuffle Film Festival, and other meanwhile uses, which reopened the site to the local community and helped them reimagine the space as an exciting opportunity.

> "The London CLT at St Clements has never just been about delivering permanently affordable home affordable homes. It's more than that. It's about community, social justice and quite simply, contributing towards happiness in life."
>
> Dave Smith, on the podcast 'On Common podcast[1]

London CLT has taken on a relational culture to deliver the work; and has demonstrated that it prioritises the needs of individual residents over institutionalised processes. For example, when one of the first resident families was refused a mortgage at the last minute, the CLT's governing body spent time and political capital to negotiate a solution that allowed the family to move into their new home and rent the property until they could take out a mortgage. This commitment to the people, rather than just the housing, helped to build trust and maintain the group's engagement.

Best practice

- Collaborate with community organisations that are active in the local area. They can help galvanise the local community; and help build capacity and awareness of CLTs more widely and efficiently.
- There are engagement activities that are relevant and crucial to helping bring people along the development process. Activities that have had the most impact include:
    - 'choose your architects' – a process of allowing the community to choose their architect
    - bringing in local residents to co-design the project during pre-planning and planning stage
    - informing the surrounding community of when planning meetings are held.
- Delivering other engagements that are non-housing-related but resonate with your community (such as the Shuffle Film Festival during the development of St Clements) is critical to a project's success. This will help to build relationships within the community, and build awareness of what the CLT does.
- Back-to-back agreements offer CLT organisations another route to developing CLT homes within other development schemes. Opportunities like this should be considered by other registered providers (RPs) and/or developers to provide more CLT homes.

1.2. Organisational structure

London CLT initially had very limited staff, with only a founder, a leader and a part-time dedicated housing community organiser. To supplement its in-house expertise, the CLT partnered with housing development expert and strategic adviser Stephen Hill. Stephen and Dave Smith spent quite a long time making a "nuisance of [themselves], asking the GLA and English Partnerships to include a CLT in their plans for disposal of the St Clements site." Stephen also had several meetings with Rick Blakeway (both as campaign manager for Boris Johnson's first election campaign in 2008, and later as the Deputy Mayor of London for Housing from 2012) to try to persuade him to support CLTs. Stephen used his experience and connections, such as Blakeway, to advocate for the CLT approach.

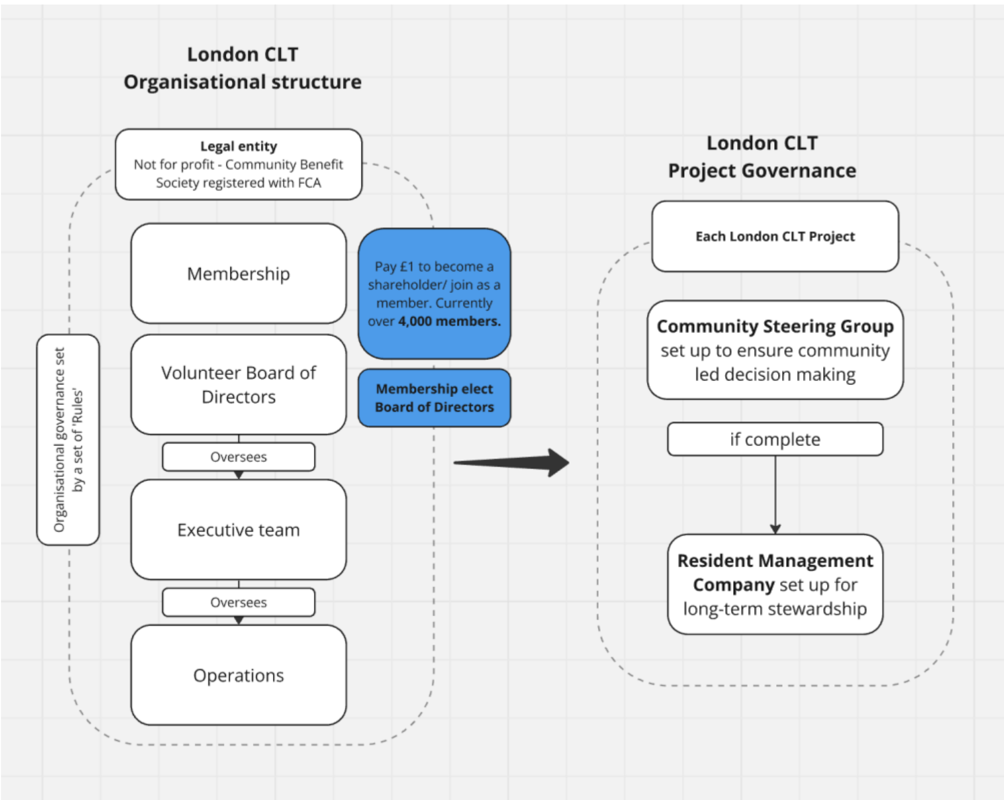
The CLT also brought on Chris Brown, the chief executive of Igloo Regeneration, to help develop a competitive housing proposal and coordinate a high-profile political campaign. Additionally, London CLT collaborated with students from Queen Mary University of London, under the guidance of Professor of Human Geography Jane Wills, to study the site and contribute to the delivery of 'Planning for Real'[2] type events with Glass House Community Led Design to support the redevelopment plans.

London CLT adopted a tripartite board structure, with representation from residents, community members, and public/nonprofit stakeholders, in line with the classic American CLT model. This was a conscious decision to maintain a clear connection to the international CLT movement and its principles of community control. London CLT worked closely with CUK and its member institutions, to build support and momentum for the St Clements campaign. These community organisations played a crucial role in hosting events, such as the CLT's annual general meetings, to keep the membership and the public informed and engaged.

London CLT now has over 4,000 members who each pay £1 to become shareholders within the organisation, and who then select a volunteer Board of Directors. The Board in turn oversees an executive team managing operations. The organisation is a not-for-profit CBS, registered with the FCA, and is governed by a set of rules that clearly set out the objectives of the CLT and the agreed operational processes. This is shown in Figure 2.

To ensure true locally led and community-focused decision-making, each London CLT project or campaign has a local community steering group. Completed developments have an RMC for long-term community stewardship. More on the RMC can be found in Chapter 9.1.

Figure 2: Overview of London CLT's organisational structure and project governance



Other types of CLT governance

There are other models for CLT governance – for example the Rural Urban Synthesis Society (RUSS), another London-based CLT. This was initially set up to manage one site-specific development, using a “consensus decision-making” approach with “open engagement, non-hierarchical residents and board”. This fosters a sense of ownership and commitment among community members.

As a group, RUSS has established a set of 10 principles, used to guide decision-making. RUSS has grown through its large volunteer network, and has helped galvanise volunteers to make the project happen. The project involved a range of self-build and self-finish choices. Some volunteers hoped to become future residents, although resident selection was managed through a formal lottery process at a fixed date. The CLT recognised the needed for continuity and practice of the collective decision-making process, through the pre-completion stages into the living stage.

London CLT, working on a range of developments across London, acts as the legal, technical and financial guardian of each project. It allows the benefit of the organisation’s knowledge and experience to be used, while ensuring genuine community-led development through the development of individual Community Steering Groups (CSG) for each project.

Overall, London CLT’s organisational structure has historically been a blend of grassroots community organising, strategic partnerships, and the incorporation of professional expertise to navigate the complex challenges of developing sites.

Best practice

- Set up a tripartite board structure to encourage community participation. However, we recommend thinking about how organisational governance and project governance works to guide the decision-making processes.
- Create a CSG of local residents who align with the organisation’s mission, to understand what the local community needs and wants, to drive the mission of the CLT.
- For completed developments, consider setting up an RMC (see chapter 9.1 for more detail). This will help residents become the guardian to the development’s management – from financials to community dynamics and organising. The aim is to achieve long-term community stewardship with residents leading this.

1.3 Political support

For CLTs to identify opportunities for development sites and funding, there needs to be high-level political support that will enable officer buy-in and delivery of CLT homes. This includes gaining support from stakeholders such as senior-level politicians and officers at the GLA; a leader of the local council; and the Cabinet member for housing who can champion CLT developments. This is an integral part of affordable housing delivery using the CLT model.

London CLT's success at St Clements, despite the challenges, helped to establish the organisation as a credible player in the city's housing landscape with regards to CLT development. This has enabled the CLT to expand its activities and campaigns to 12 potential sites across London, with political support being critical for identifying and securing new development opportunities.

London CLT maintains a strong partnership with London Citizens groups. This allows ongoing political dialogue with both the GLA at a senior level, and individual boroughs on site-specific projects. London CLT – along with London Citizens – has secured political support in Southwark, Lambeth, Lewisham, Greenwich, Redbridge and Ealing.

In Greenwich, Greenwich Citizens Housing (GCH) was originally set up by two councillors – Councillor Anthony Okereke, the current leader of Greenwich; and Mariam Lolavar, Cabinet Member Health, Adult Social Care and Borough of Sanctuary. GCH worked to get political support from the council leadership at the time, including getting CLTs accepted into the council's housing strategy. This was crucial to ensure CLTs could be delivered for affordable housing in the borough.

The group spent time profile-raising and educating local politicians to build awareness and understanding of CLTs. The involvement of London CLT helped provide expertise and credibility. Throughout the process, the council provided meeting space for the group and maintained a relationship, even with the political leadership changing over time.

Currently, CLT developments are not a common method for delivering affordable housing – which emphasises the need for political buy-in from the council. The political buy-in can help drive CLT developments as an accepted form of affordable housing delivery, as part of the council's wider housing strategy. The support can also lead to unlocking land for CLT development.

Despite CLH being supported as a form of affordable housing delivery in the Mayor's London Housing Strategy,[3] CLT developments among London councils remains limited. However, the potential of developing policies that support these developments has been demonstrated by Councils inside and outside London.

East Cambridge District Council stands as a compelling example, where their CLH Supplementary Planning Document (SPD)[4] has fostered the development of numerous CLTs throughout the Cambridge growth area. A standout success is the Kennett CLT[5] project, which is integrated into a 500-home garden village development. Under this initiative, the CLT will maintain ownership of

30 per cent of the new homes and hold the freehold of all shared community facilities, ensuring long-term community control and benefit.

This successful model from East Cambridge demonstrates how well-structured and supportive policies can effectively deliver CLT developments, while maintaining community ownership and management – an approach that could offer valuable lessons for London boroughs considering similar initiatives.

Best practice

- If CLT development is not written into local housing policy, writing to the local housing Councillor or local MP and lobbying for commitment for CLT homes or CLT developments should be a priority. Ensuring that these commitments are then written into the council's housing policy can help planning officers to support CLTs more easily.
- Working with organisations, such as CUK, that work with many other community groups and have existing relations with the local council can help gain political and community will towards delivering CLT developments.
- Councils to consider developing Supplementary Planning Guidance or Development Plan Document that can support the delivery of CLH or CLT development

Chapter 2 – Land

Land for development in London is in short supply, and the challenges are particularly pronounced for groups seeking to deliver CLH. Private-sector sites are unaffordable and often out of reach for community groups wishing to develop genuinely affordable housing. Within the public sector there are competing pressures for every development site, from council-led delivery, infrastructure and private sale to generate capital receipts. CLH is not often at the forefront of local policy requirements; consequently, sites likely only come forward following political pressure or when identified by community groups.

And yet, there is a growing understanding of the potential for CLH, with successful projects now completed including Citizens House by London CLT and Church Grove by RUSS (Appendix 2e). There is an opportunity for more sites to be identified directly by councils, supported by the GLA and its Small Sites Small Builders programme.

London CLT's experience demonstrates the vital importance of navigating the political landscape; building relationships with key decision-makers; and leveraging political influence to deliver on the community's vision and commitments. CLH projects also must align with council objectives, such as providing affordable housing or key worker housing, to facilitate access to suitable sites as part of the local authority's planning process.

2.1 Identifying sites

Land in public ownership that comes forward for community-led development is generally complex. There is often a reason it may not have been developed – such as planning policy, below ground services, difficult access, potential flood risk, or impact on existing buildings. Identifying suitable small sites for CLH in London continues to present challenges. Many of the sites that become available for community-led development would be challenging for any type of development, not just community-led projects.

In 2016, the Centre for Theology and Community, and the local church (St George in the East) worked with the East London Mosque through the Citizens group to conduct a neighbourhood mapping exercise, and to identify potential housing sites. They found a large empty site in Shadwell, just a few minutes from the church, that was owned by TfL. This site was identified as a prime opportunity, and subsequently brought forward via the GLA's Small Sites Small Builders programme.[6]

The process of finding and accessing small sites owned by the local authority seems to differ from borough to borough. There is variation in numbers of sites identified, and the information that authorities have available on the development potential.

In NW3 CLT's case, Camden Council mentioned having "small sites" that they wanted CLT partners to develop; but there was difficulty in gathering specific information regarding these sites. It took some time to understand which sites were in council ownership and potentially available for community ownership. There is opportunity for councils to reassess their land holdings with the help of the GLA's existing datastore and also understanding information on potential development sites so that available land can be more readily identified.

London CLT, working with local community groups and CUK, has historically identified potential development sites and campaigned for their release for affordable housing, building political support along the way. Lewisham Citizens carried out site walks in all the areas around their members' locations in the borough and compiled many small sites based on their local knowledge that London Borough of Lewisham planners had not identified. By working with CLTs, it presents an opportunity where local authorities can identify and develop sites that they would otherwise not be able to develop.

Potential development sites that have been identified include: the site in Lewisham for Citizens House; two of the three sites in Greenwich; Cable Street in Tower Hamlets (Appendix 2b); Scylla Road in Southwark; and Christchurch Road in Lambeth. London CLT is now actively working with LB Redbridge, following political commitments to providing 250 CLT homes in the borough. The council is proposing the transfer-at-cost of a site with planning permission for seven homes.

Ealing Council has made a concerted effort to identify and assess sites across the borough, taking a more coordinated approach compared to individual organisations identifying sites. Following a community campaign, the borough made a political commitment for 100 CLT homes. It is currently looking at land ownership and site identification in the borough; and aims to release sites for CLH through the GLA's Small Sites Small Builders portal. London CLT provided a site requirements document (see Appendix 1) which would outline the requirements of a small site that would be appropriate for a CLH.

Best practice

- Identify small sites in local area. The data on this varies amongst London boroughs; however, local authorities should work with the GLA to understand the existing data on land, and work with CLT organisations to understand how they might develop affordable housing on small sites that are tailored to community needs.
- Using London CLT's sites requirements document, appraise sites before starting any development work to ensure that these are accurately identified as potential sites for CLT development. This will help to prevent unduly resource and cost to be spent.

2.2 Development potential

Ascertaining if a site has genuine development potential is an essential part of the pre-development due diligence process. Sometimes risks are known, and solutions are found. For example, the RUSS's Church Grove project is raised on mini stilts to ensure it is above flood level. However, risks are not always identified in the early stages, as was the case with Felixstowe Road in Greenwich (Appendix 2d) by London CLT. In this case a culverted river was incorrectly plotted, requiring redesign once the true location was known.

Sometimes risks are known, but the project proceeds because there is no alternative site available – as with Christchurch Road in Lambeth by London CLT. In this instance a site, fenced off and inaccessible for 50 years, is designated as 'open space' in Lambeth's planning policy. This meant the site presented significant planning risk and was unlikely to secure approval, but the community decided to proceed at risk because the housing need is so great and no other options are available.

One common thread with CLH is that projects often succeed despite the development and site complexity. Previously, Lewisham Citizens could identify many small sites that were not known to Lewisham Council's planners. This exercise proved valuable, as it convinced the Mayor to tell the Housing Department to help with Housing Revenue Account (HRA) land. This is how the Citizens House site was originally made available. The council approached London CLT with the explicit opportunity of developing a proposal that residents would agree with. At Citizens House, the site had poor access and significant overlooking; and was beside a primary school. Yet it succeeded at planning, with over 100 letters of support, and only one objection due to the involvement of CUK and London CLT.

With any site, carrying out a capacity study will give an indication of the development potential; and start to raise questions in relation to planning policy, impact on the surroundings, servicing and construction potential. A capacity study will also help to establish the potential number and type of homes; and can start to establish overall development cost and financial viability parameters.

There is an opportunity to understand land holdings and potential development sites by using new technology. This form of mapping exercise can help councils and community groups to identify land that could be used for affordable housing development. Russell Curtis, Founding Director and Architect from RCKa Architects, has begun to do this using a small sites identification AI tool.[7] Another digital tool is Blocktype,[8] which allows the user to automatically understand planning requirements and viability on sites.

Best practice

- Conduct capacity studies to assess development potential. It will help to illustrate the likely number of homes, cost, and financial viability parameters; and ascertain the risk level of a project.
- Use the early stage of the process to assess the site's planning context and its potential impact on surrounding environment to understand potential risk early in the process.

2.3 Surveys

Reducing development risk requires as much as possible to be known about a site, both in relation to what there is through surveys, and any broader concerns such as legal rights of way or use restrictions. Local authorities must play an active part in de-risking the development process as part of good practice in public asset management and procurement.[9] A way this is assisted within CLT developments is to help identify specific sites within their land portfolio that is suitable for residential development. Local authorities can go through a process of assessing the site's suitability, including checking for any legal restrictions or broader concerns.

Once the site is deemed suitable, the local authority could 'ring-fence' that land, essentially reserving it for CLT development.

In addition, the local planning authority can provide a statement on the suitability of the site for residential use before the land is put out to the market. Any purchasers would, however, have to rely on their own investigations before acquiring the site. By doing this upfront work and de-risking the site, it is much easier for community groups such as CLTs to bid for and acquire the land, as the development potential has already been established. This reduces the time and costs associated with the initial site assessment and planning stages.

> "[Councils] could save money through not requiring each CLT when tendering to go and get all their own surveys… if a council has made a decision to dispose to a community organisation, they could enable some of that preparatory work with the GLA or with the council so that it's paid for once, rather than separate organisations competing."
>
> Eleanor Margolies, Resident at RUSS

As well as legal reports on the land title and understanding the planning policy context, key surveys have been conducted on publicly owned land prior to marketing. These have all been outlined in Figure 3.

Figure 3: Example surveys conducted by the councils on land made available for CLT bids

Local authority	Surveys from bid documents
Greenwich	• Noise • Transport • Flood • Unexploded Ordnance desktop • Ecology • Legal report • Site measured survey • Utilities surveys
Cable Street (TfL/GLA)	• Unexploded Ordnance desktop • Ecology and trees • Site measured survey • Utilities surveys • Planning statement

Best practice

Local authorities to play an active part in de-risking the development process as part of good practice in public asset management and procurement. They can support CLT development by ensuring as many supporting surveys (outlined in Figure 3) are complete as possible, before the decision to transfer the land to the organisation.

2.4 Ownership and transfer

There are two main/common methods of land transfer from public ownership to a CLT group. The first is a negotiated transfer to an identified local group who can meet the objective of providing genuinely affordable housing to local people in need. The second is a competitive bid process, with bidders restricted to registered groups (such as CLTs).

London CLT has experience of both methods:

- With Citizens House the land transfer was negotiated with LB Lewisham, with a long lease of 250 years transferred for a nominal sum of £1. Heads of Terms were drawn up setting out key criteria – including the pricing strategy and allocations policy for the homes, to ensure that joint shared objectives were clearly stated at the outset. The pre-planning for Citizens House was supported through a community share offer (CSO) rather than the CHF.

- With the Greenwich projects, the council elected to follow a bid process, restricted to CLTs, and requiring design proposals to be submitted. These proposals had to set out the size and tenure of the homes, together with costs and viability assessments. While this required additional work from the bidder, it allowed the council to run a transparent and open site transfer process to meet procurement requirements. London CLT was successful with bids for both Greenwich projects, with zero site value for the freehold transfer of these sites. Because all the homes are genuinely affordable, the development appraisal showed a residual land value (RLV) of zero, resulting in a £1 nominal land value.

The concept of “£1 land cost” or “at-cost land” addresses a fundamental challenge in affordable housing: land costs are typically one of the largest factors driving up housing prices. Local authorities are permitted to sell assets such as land for “less than best consideration” provided there is a broader benefit, such as affordable housing. Therefore, once a council is open to a potential RLV below market value, with that value determined based on housing affordability and considering project cost and likely grant support, then that opens up the possibility for other sites to come forward for CLH.

London CLT has demonstrated practical experience with this approach through the GLA Small Sites Small Builders portal. They’ve secured two successful bids: one for Cable Street in Tower Hamlets (planning approximately 40 homes) and another for Christchurch Road in Lambeth (30 homes, currently on hold due to planning risk and funding issues). Both projects involve TfL-owned sites, with long leases scheduled for transfer at the start of construction.

However, the implementation of this approach faces specific challenges within the local government framework. While the Royal Institution of Chartered Surveyors (RICS) method for valuing land for affordable housing typically results in a nominal RLV in London, councils must still demonstrate “best consideration” in their land transactions. This creates a complex situation that varies depending on the land’s current use:

- For existing housing land, the process is relatively straightforward. General consents allow councils to provide financial benefits to purchasers to achieve desired affordability levels.
- For non-housing land, the situation becomes more complicated. Without specific policies supporting CLH or strict affordable housing requirements for small sites, Section 151 compliance officers can argue that the council could have sold the land for more valuable housing use.

This highlights the crucial role of policy context, particularly the value of SPDs for small sites in providing the necessary planning framework to support affordable housing initiatives.

There is potential for many more sites from local authorities to be made available through the GLA Small Sites Small Builders portal, and for a standardised process of land transfer to be adopted across all boroughs. This has the potential to save considerable time and costs, and remove an element of uncertainty for community-led groups.

> “One of the biggest issues, once you’re in the system with a local authority or landowner is that you feel like you’re reinventing the wheel when transferring the land. There needs to be a standardised process for the land transfer and standardised legal agreements.”
>
> Michelle Huggins, Development consultant for London CLT.

In a similar vein, some local authorities do not have a process in place to approve the release of land for CLH. Again, if a standardised process could be established, there could be benefits all round.

Best practice

- Small sites that have development potential for CLH developments should be made available through the GLA Small Sites Small Builders portal.
- Local authorities should establish a standardised process for the release of land for CLH projects.
- Organising and supporting pre-planning activities through a CSO can help to raise finance where other types of grant funding may not be available.
- A local authority should set a strategic priority for affordable and/or community-led outcomes, understand its best-consideration constraints; and prioritise an RLV approach when releasing sites.

Chapter 3 – Cost and value

For CLH projects to be successful, the costs need to be manageable, with budgets and appropriate resourcing for all involved. This includes not only the community group, but also those facilitating the project – including, for example, council team costs connected to site identification and legal transfer of land.

At the same time the true value (financial and social) and wider benefits of the project need to be identified at the outset. The project objectives must broadly align between the land provider (e.g., a council or the GLA) and the CLH group.

In London, the affordable housing threshold refers to the minimum number of homes in a development that triggers mandatory affordable housing requirements. Currently, in London, developments with 10 or more homes are typically required to provide affordable housing contributions (either onsite affordable units or financial contributions). Developments of nine homes or fewer are generally exempt from this requirement.

In London CLT's case, building nine homes to avoid the threshold is technically possible but not optimal, as this can help to take advantage of the policy threshold – but doesn't achieve meaningful scale. The development costs and management effort are the same for building 10 homes as it is for 40 homes; and, as for smaller projects, they become less financially viable.

One way to make smaller projects more viable is to link two or more together – as is the case with London CLT's two projects in Greenwich, with seven homes on one site and nine on the other. This involved working with one design team, and taking the projects forward in tandem during the initial design stages.

3.1 Costs and viability

As noted, community-led projects are often difficult to develop because the land provided to them generally has complexities. This in turn can lead to higher development costs, through extra build costs and delays at planning or during construction procurement. CLT groups have previously navigated these complexities, demonstrating resilience and ingenuity to turn a challenge into an opportunity, thereby providing additional affordable homes on sites that would otherwise remain undeveloped.

> "If there was a collaborative process that could connect the viability process, valuations, support the CLT in applying to the funds that they are eligible for. This could help streamline a lot of the process that feels disjointed currently. There is a lot of time that is wasted."
>
> Michelle Huggins, Development consultant for NW3 CLT.

CLT project costs can be split into five main categories, outlined below.

i. Site acquisition

Costs here include the cost of land (if any) plus legal costs relating to land transfer and stamp duty tax. Most CLH projects aim to provide genuinely affordable homes for those in housing need, and this ambition is aided if the site is acquired on an RLV basis.

ii. Development management

This area covers both professional consultant fees, project management fees and internal costs – as well as surveys and fees for planning. On a large project this might be as low as 10 per cent of the overall construction cost. However, on smaller, more complex projects, this can be anything up to 20 per cent with associated impact on the overall viability of the development.

iii. Construction

Build costs (including contingency) make up the largest part of any development and are increasingly challenging, given construction inflation over the past few years. Citizens House, completed in early 2023, was built at a contract sum of £2.5m for 11 homes (£227,000 per home) at rate of £3,600/m2 gross internal area on a complex site with difficult access and surrounded with nearby buildings. Current London CLT projects have build-cost estimates of around £4,000/m2 gross internal area as of September 2024.

iv. Finance

CLH groups do not generally have reserves to draw on, and require both grants and development finance to cashflow and build out projects. For smaller CLT projects, the GLA has provided development finance through Big Issue Invest at rates close to the Bank of England base rate (5 per cent in September 2024), as at Citizens House. For larger projects, commercial finance is required; this is more likely to be at around Bank of England base rate plus 4.5 per cent (i.e., 9.5 per cent in September 2024), leading to considerably higher-interest repayments.

A key challenge that many CLTs face is securing revenue funding for the early stages of projects before capital funding can be obtained. Without adequate revenue funding to cover initial development costs and organisational capacity, it can be difficult to progress projects to the point where they can attract capital investment. The different types of financing are outlined in Figure 4.

Figure 4: The different types of finance available to CLTs

	Definition	Challenges/barriers	How is it secured
Revenue funding	• This refers to the funding required to develop a project from initial idea through to planning consent. • Identifying and securing appropriate revenue funding, whether through grant or other sources, is essential to allow the project to proceed.	• Harder to secure than capital funding, as planning risk is generally a barrier. • Needed before any capital funding can be accessed.	• Grants – e.g., CHF revenue grant • CSOs – e.g., London CLT's CSO • Development surplus from other projects, although unlikely for start-up CLTs
Capital funding	• This is the upfront funding required for the actual construction and development of the project. • Capital funding can come from a variety of sources, such as loans, grants, community shares, etc. • Securing the necessary capital is crucial to being able to physically build out the planned development.	• Usually larger sums than revenue funding. • Can often be secured through loans because there's a physical asset with planning permission as security.	• Development loans – e.g., Big Issue Invest fund • Grants – e.g., CHF capital grant • Investor equity such as CSOs – e.g., London CLT's CSO

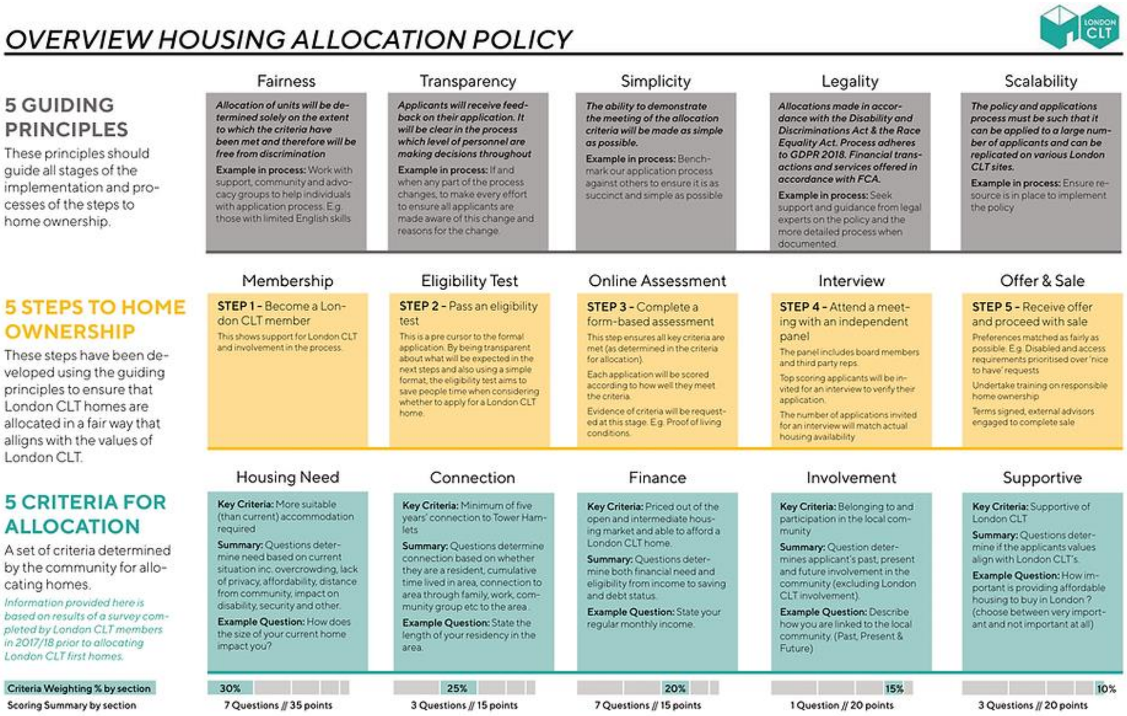
v. Sales and allocations

With CLH projects, the cost of sales and allocations are relatively low, as there is demand. However, it is still important to make suitable provision for the timing of the sales and allocations process – including the marketing that accompanies the sales of units.

London CLT made sure that the allocations process (see Figure 5 for breakdown) was as transparent and fair as possible for the community served by these units, to maintain trust within that community. The allocations process typically started a 12-18 months before people moved into the homes. This allowed time for marketing; accepting applications; and going through the review and selection process.

Figure 5: London CLT's housing allocations policy

(Can be accessed: https://www.londonclt.org/housing-allocations-process#:~:text=The%20five%20eligibility%20criteria%20(weighted,afford%20a%20London%20CLT%20home)



It was important for the organisation to consider existing rental agreements for those moving into the homes. Having an improved understanding of these agreements and notice periods could help to allow for extra time during the handover process. Delays in the process can cause issues for prospective residents, especially those in private rentals. Building in more flexibility and contingency time can help provide greater certainty.

vi. Financial viability

Rising construction costs and higher interest rates make viability more challenging. Development projects need to be financially viable (i.e. costs and income must balance) to progress. London CLT's approach to CLH, where genuine affordability is one of the project drivers, aims to deliver homes for sale at a discount from market value. For a project to be viable, the costs of development, borrowing and any land receipt payable must balance against the amount of development finance London CLT can secure from a lender and the level of grant available from the GLA or other funders. London CLT, a not-for-profit organisation, also needs to achieve a development margin of 6 per cent as a minimum threshold to attract development finance, and allow any surplus to be reinvested in future projects.

Different community-led projects offer a range of affordable tenures. Church Grove by RUSS in Lewisham includes social rent and affordable homes for sale. London CLT currently has one tenure, providing homes for sale to keyworkers and those on average incomes. The purchase price is linked to average income, with all resales on the same basis – thereby ensuring genuine and permanent affordability.

Best practice

- Consider a range of affordable tenures and/or mixed tenure that includes DMS, social rent and affordable rent within the development prioritising early engagement with RPs of affordable housing to market test approach
- Ensure that it as a sufficient development margin. London CLT targets a margin of 6 per cent as a minimum threshold to attract development finance and allow for any surplus to be reinvested into future projects.

3.2 Funding types

Most CLT groups, because they are relatively new as developers, lack substantial assets, cash reserves and a track record. This makes funding more challenging compared to more established developers. Funding is a critical aspect of CLH projects, with different sources and strategies employed at various stages of development. In the early stages, many organisations rely heavily on volunteer time and effort. Small grants from supportive entities such as Community Led Housing London have previously helped to cover initial feasibility work, as was the case for London CLT and many other groups.

London CLT was able to support the Citizens House project through the sales of the CLT homes at St Clements for the early stages of the project. This meant that the costs relating to overheads for staff, and work on the community engagement and pre-planning, could be supported with this capital. However, London CLT also raised £500,000 through a CSO for early design work on its Citizens House project.

> "The Community Housing Fund finance lends itself to [the] direct development [model]. But the St Clements model is very neat. It's a back-to-back sale. So [London CLT] don't have to borrow [too much] money."
>
> Levent Kerimol, Chief Executive at Community Led Housing London

Without the CHF, CLTs have a significantly reduced opportunity to access revenue funding. Without a clear idea of where the pre-planning development finance could come from for CLH organisations, many organisations' ability to bid for sites will be impacted – unclear funding routes introduce significant risk into the development process. It is also very difficult for community groups to raise capital for this part of the development process.

Revenue funding supports projects up to the planning stage, while capital funding provides non-repayable grant. Grants are used to cover projects' viability gaps, ensuring homes are genuinely affordable. Capital grants are only available for the delivery of affordable housing, but for CLH schemes can cover 100 per cent of the homes within a project.

In response to these funding challenges and the need for streamlined processes, both revenue and capital funding mechanisms have evolved through the GLA, most recently through the CHF. Revenue provided by the GLA has helped groups such as London CLT and NW3 to finance their projects through to the planning stage. Revenue funding is often recycled, allowing it to support multiple projects over time.

For capital funding, the GLA provides grants, again through the CHF. When the fund launched, these were made available on a fixed-rate basis – but due to the turbulent economic climate of recent years, all grants are now made available on a negotiated case-by-case basis. The level of grant received by each project depends on the project's viability gap. There have also been examples of projects seeking to renegotiate on grant rate considering unforeseen or unexpected costs, as was the case with London CLT for its Citizens House project.

> "Make processes easier and standardised, standard grant agreements (now there is one for revenue grants), capital [funding] could be more standardised, rather than extra support for an unnecessarily complex process."
>
> Levent Kerimol, Chief Executive at Community Led Housing London

All work on a scheme ahead of planning permission is speculative. It is extremely challenging to secure loans without a secure interest in the land or planning permission for a project. Traditional housing associations and developers often rely on their own cash reserves for funding in the precarious early stages. CLTs, on the other hand, may have long-term potential but might struggle to raise sufficient funds for the early-planning stage. This discrepancy highlights the unique challenges faced by CLH groups; and the importance of specialised funding streams that had been supported previously by those such as the CHF.

There are some example finance pathways that could be explored to support the early stages for CLTs. One key source is Right to Buy receipts, where local authorities can channel up to 40 per cent of funds received from council house sales into new affordable housing projects. These receipts must be matched with 60 per cent funding from other sources; and used within a five-year timeframe, creating opportunities for CLTs to use this for early-stage funding.

Section 106 contributions represent another valuable funding avenue. Through planning obligations, developers are required to make financial contributions toward affordable housing, which CLTs can potentially access. These funds not only help offset immediate development costs but can also contribute to maintaining long-term affordability. Additionally, S106 contributions can support the community infrastructure that CLTs often manage, strengthening their role in community development.

The Community Infrastructure Levy (CIL) system, operating at both Mayoral and local levels, provides further funding possibilities. While Mayoral CIL primarily supports strategic infrastructure across London, local CIL offers more direct opportunities for CLT projects. Notably, boroughs must allocate 15-25 per cent of local CIL for community-consulted projects, creating a potential funding stream for CLT-managed community facilities and infrastructure improvements.

Best practice

- Funding for CLH has historically been supported through grants; however, as CLH and CLTs become an established product, there is an opportunity for social investment, creative fundraising and pooled finance from CLT development sales within London to support with funding for other developments.
- Crowdfunding campaigns, such as CSOs can also help with early-stage funding.
- CLTs could strategically layer different funding streams to create viable development proposals. By combining Right to Buy receipts with Section 106 contributions and CIL funding, CLTs have potential to build sustainable funding models that address both immediate capital needs and long-term revenue requirements. This integrated approach to funding helps ensure the financial sustainability of CLT projects, while maximising their community benefit.

3.3 Development finance

Grant funding is only available to cover the viability gap of a project. Development finance must be secured against a scheme's future income and this often covers the majority of a project's development costs. CLTs require higher grant rates because, unlike established housing providers, they lack additional income streams to cover interest payments in the early years of development. Lenders typically require CLTs to demonstrate they can cover at least 110 per cent of interest payments in the first year, making higher grant funding essential to fill this gap and secure development finance.[4]

The financing approach varies based on project size. For small projects, one ethical lender may be able to provide all the required lending. For larger projects, commercial lenders are typically necessary. For instance, London CLT's 40-home project at Cable Street in Tower Hamlets will require substantial development finance. Initial contact with Lloyds Bank indicated that potential development finance of around £15m could be available in principle.

London CLT has experimented with different development processes. For their pilot scheme in St Clements (Tower Hamlets), the organisation partnered with a major developer (Galliford Try, Linden Homes) and an affordable housing developer (Peabody) under an 'agency model'. In this approach, London CLT purchased the units at a pre-agreed affordable cost upon practical completion, financed through residents' mortgages. This transaction did not require substantive lending, London CLT was able to cover its costs and reinvest the surplus.

For smaller projects, the GLA has provided access to a £10m fund of development finance for construction, administered by Big Issue Invest. This has been used for projects such as Citizens House and Church Grove, both in Lewisham. In the case of Citizens House, development finance of £2.5m was provided at interest rates close to Bank of England base rates at the time.

Once the Citizens House project was completed, the development finance was repaid in stages with every home sold, thereby reducing the interest payments. On average, the interest equated to around £500 per month per home, a manageable risk should one or two of the homes be delayed in the completion of sales. By contrast, the larger Cable Street project, with higher interest rates through a commercial lender, is likely to attract around £100,000 per month in interest payments if all 40 homes remain unsold, or £2,500 per month per home.

Given that the Big Issue Invest administered £10m GLA development finance has been successfully used and repaid, it seems that the case could be made for an increased amount of funding in this area to support the community-led sector. This would be particularly useful for larger projects. A new fund could potentially bridge the gap between small-scale projects that can use existing social finance options, and larger projects that currently must rely on more expensive commercial lending.

Best practice

- Social investment into development finance would significantly support CLH development.
- Other development finance options could be through access to soft loans from ethical bankers and/or social lenders, such as Ecology Building Society and Nationwide Foundation.
- It is important to initiate early conversations with lenders, as this will help to successfully finance a development project. Moving from an in-principle agreement to securing the actual lending can be a critical milestone that requires careful planning and preparation.

Chapter 4 – Team and process

4.1 Project management

Development is complex; carries considerable risk; and requires considerable financial support. The role of project manager is one of the key appointments to establish early in the project. Many CLH groups will have neither the expertise nor the time to act as professional project managers.

At London CLT, each project is managed by an experienced external consultant who acts as the professional support to the organisation; liaises directly with the design team; and leads on budgeting, viability and timelines. The client project manager also helps with selecting appropriate consultants (such as engineers and architects) to provide quotations; and to assist with appointing these consultants and ensuring indemnity insurances are in place.

On larger developments, such as the 40-home project at Cable Street, an employer's agent consultancy can be engaged to manage the cost, and provide further support by engaging directly with the design team to ensure costs, progress and coordination are maintained. In this instance, the client project manager is still retained, acting as the interface between the employer's agent and London CLT.

Having completed its first direct development in 2023, London CLT has built up considerable knowledge of the whole project cycle – from acquiring land right through to completing and allocating homes. Unusually for a CLT, London CLT is bringing forward a range of developments and can apply its knowledge and learning to each new project.

It is important to engage project management input right from the outset of any project, to ensure that risks, costs, timelines and development options are prepared and selected in a systematic manner. This in turn can inform grant applications for project finance during the initial design stages. The client project manager is also a key interface with GLA funding support; and is ideally placed to apply for, and administer, grant applications. These are a key part of any successful CLH project.

Best practice

- It is essential that there is a development/client project manager at the early stages of the project who leads on budgeting, viability and overall project management. This role is key to establish early on, and can be a fractional role. It acts as the interface between the organisation, design teams and government organisations.
- Engage with an employer's agent consultancy to manage cost and provide further support on costs and liaising with the design team.

4.2 Project stages

A CLH project has similarities and some differences from a more conventional housing project. Key differences relate to community input at all stages; campaigning for development land; alternative means of funding support; and long-term community stewardship upon completion. The project stages set out below reflect a typical community project once a group is established and are based on London CLT's Citizens House project in Lewisham.

i. The campaign – securing a development site

This has been covered in more detail in Chapter 2, including how to campaign for and select sites, as well as the process for bidding for and transferring land to CLT groups.

A key aspect of selecting a site is to ensure it has development potential and is financially viable. Feasibility and viability assessment will be required, typically with input from an architect, cost consultant and project manager input. Assuming a site is viable in principle, legal work can commence on land transfer and Heads of Terms can be prepared.

Within London, to support CLH, the GLA established and funded Community Led Housing London. It was established as a dedicated support organisation to create the infrastructure needed to help deliver on CLH policies and make better use of available funding. Informally known as 'the Hub', it has allowed groups without capital reserves to research and prepare bids for development sites, leading to the successful start of community projects that would otherwise have stalled.

While GLA funding through the Hub has provided some financial support for community groups for specific sites, it generally does not cover the initial time spent building political support and identifying land opportunities. This is one area where further support could lead to more development opportunities. A key point raised by Cheryl Scott, Development Manager at London CLT, was the emphasis on "campaigning to raise awareness of CLTs amongst communities, there is a need for funding for this". These are vital to educate and engage potential participants, residents and the wider community.

ii. Funding – securing funding through to planning consent

Once a site has been selected, the next stage is to raise funding to cover project costs through to planning permission. Citizens House in Lewisham achieved this through a CSO, raising £500,000 to support this and other projects from 2016 to 2026.

More recently, funding has been available through the CHF. Having submitted a revenue grant application, sufficient time should be allowed for the GLA to review and approve the grant. The GLA prepares an internal report; and requires an internal panel and sign-off before grant approval. In complex cases this process can take six to nine months from application to having a signed grant agreement in place.

iii. Design team

The client project manager can advise what expertise is required, and which key consultants are needed for most community housing developments. The main consultants of the design team are set out below:

- **The architect:** responsible for design and overall coordination. It is important to select an architect who wants to work on a community-led project; and has experience in housing design, as this requires specialist knowledge of current policy and regulations. London CLT typically draws up a shortlist of potential architects, known to have the technical capability, with the final selection made by the CSG. This process ensures that the architect and the community have confidence in each other and a commitment to work together in partnership. The architect may also design the landscape, or alternatively a separate landscape architect can be engaged.

- **The cost consultant or quantity surveyor:** prepares build cost estimates or 'cost plans' at each design stage. These costs are then used to inform a viability appraisal – which, in the case of London CLT, is prepared by the client project manager, considering all development cost and income.

- **Planning consultant:** the input of a planning consultant is critical for project success, particularly as community-led projects are often on sites with significant planning risk. The planning consultant liaises with the local planning authority; and assembles and reviews the level of information needed to make a planning application.

- **Structural and environmental engineering:** required for design strategies and to provide information for costing. This may be provided by one multi-disciplinary consultant, but is often through individual appointment of each discipline.

- **Other consultants:** depending on the site and its complexity, input from all or some of these specialist consultants may be required, such as ecology, arboriculture, transport, acoustic, air quality, flood risk. It is important to gather input at the beginning of the project to avoid redesign at later stages.

iv. Design development through to planning decision

At the beginning of this stage, it is important to prepare a project 'brief'. This should set out targets and ambitions in relation to type and size of homes; and wider community wishes, such as shared spaces and community gardens. London CLT uses the brief to establish project criteria – e.g., all homes to be dual-aspect, and no ground-floor bedrooms. Professional consultant input is needed to develop the brief into design proposals that work with the surroundings; and can be costed and checked to ensure the project is financially viable. This consultant input is generally referred to as 'the design team', led by the architect who coordinates input from engineers and other specialists as the design work progresses.

During this stage, community engagement can help shape the project, through regular meetings between the architect and the CSG. Every month, these meetings allow for real local engagement; and for the architect to use a co-design process to input into the design as it evolves. Wider engagement with the public is generally led by the CSG. Community engagement not only leads to better design outcomes, but also results in positive support for the planning application. In the case of Citizens House in Lewisham, over 100 letters in favour were received with only one objection. This demonstrates strong local support for the application, allowing for a faster planning consent to be granted.

> "Massive community involvement meant people had a say and there were minimal objections, which was unheard of, with 100 letters of support from Lewisham Citizens."
>
> James Ringwood, Lewisham Council

To manage planning risk, design proposals are reviewed with planning officers at planning 'pre-app' meetings to ensure the project is broadly planning policy compliant prior to a planning application.

From starting the design work through to a planning application will usually take around six months. However, more complex sites can often take longer, particularly if redesign work is needed to meet planning requirements. Achieving planning permission is a significant milestone and critical to attracting finance for the next stages.

Chapter 5 – Planning

The current planning system does not make explicit allowances for CLH. However, the recent revisions (December 2023) of the National Planning Policy Framework do now support the sector through a new 'community-led exception' policy, where land not previously designated for housing might be suitable, and only allowing community-led groups to explore this potential.

Local authorities face distinct valuation rules, depending on whether land is classified as HRA or falls under other council ownership categories. A particular challenge emerges with non-housing land that has potential alternative uses – especially where these alternatives might require less affordable housing that generates higher capital receipts for the council.

To address this challenge, and make CLT projects viable, robust planning policies need to be established. These policies should effectively condition the land use in ways that support CLT development. This can be achieved through developing SPD specifically for small sites designated for CLH with specified affordability levels, or through specific site allocations in local or neighbourhood plans.

Once these planning policies are in place, they inform the RICS valuation process, typically resulting in a nominal RLV that makes the project financially feasible for CLT groups.

CLTs and the adoption of discount market sale (DMS)

CLTs often adopt the DMS model largely because it allows them to deliver affordable housing without requiring RP status. Under DMS, homes are sold at a discount to their market value, with the discount typically remaining in perpetuity for future buyers. However, this creates challenges within the planning system because DMS is primarily recognised as a CIL relief product, rather than being consistently identified as an affordable housing product across all London boroughs.

This is the case for NW3 CLT (Appendix 2f), RUSS and London CLT. The DMS product typically used by CLTs is not always identified as an affordable housing product in the planning system. This can cause complications, because local authorities have specific affordable housing delivery targets and strategies that typically prioritise more deeply affordable products such as social rent.

The classification of DMS impacts how these homes are counted towards borough affordable housing targets, potentially making it harder for CLTs to gain planning approval for their projects. This misalignment between CLTs' preferred delivery model and local planning priorities creates additional hurdles for CLH groups trying to deliver permanently affordable homes.

> "If it's a discounted market sale product, as CLTs are not identified as an affordable housing product, there are benefits such as CIL relief which other affordable housing products receive that may not be applicable for CLTs."
>
> Michelle Huggins, Development Consultant for London CLT

Another alternative route for securing affordability and delivering CLH has been through Section 106 agreements. This offers a robust legal framework within the planning permission process. These agreements allow CLTs to embed specific affordability requirements into their developments, detailing crucial elements such as initial sales prices, future price calculations, eligibility criteria, and local income-linked formulas.

The strength of Section 106 lies in its ability to establish permanent affordability by mandating that all future sales adhere to the same affordability criteria, effectively preserving the discount in perpetuity. This approach gives legal weight to the CLT model, as the agreement becomes an enforceable part of the planning permission, providing certainty to both local authorities and CLTs about long-term affordability maintenance. This method offers an alternative pathway that allows CLTs to secure their preferred affordability mechanism through planning policy, moving beyond the limitations of traditional DMS classification or the need for RP status.

Currently, drafting Section 106 agreements for CLT projects is challenging as these agreements often require custom drafting causing inefficiencies in the process. However, a more standardised process around this could help ease the pathway for CLT delivery.

> "Drafting section 106 agreements, which we have done with Camden, has been difficult. It would be great to see in the future, if a project comes via a CLT route, that the planning team can understand how to draft these agreements rather than us having to overexplain things to officers."
>
> Michelle Huggins, Development Consultant for NW3 CLT

CLT model not recognised as a form of affordable housing delivery

There is also a cultural issue within local authorities and planning departments, whereby CLT development is not yet a widely recognised form of housing delivery. This lack of recognition means that, for each project, CLTs often over-explain things to planning officers, which can be time-consuming and delay the process.

There are ways in which local authorities have supported development pathways for CLT development. At a local level, East Cambridgeshire District Council have an SPD specifically supporting CLH. In London, Southwark Council has shown support – initially through the Southwark Land Commission, and more recently through the Affordable Housing SPD (2024), which now recognises and supports CLT housing, including DMS, as a type of affordable housing.

How can policy support CLH?

There is a need for a nuanced approach to assessing affordability in planning terms for CLT developments. A comprehensive policy framework is needed at both national and local levels to better support CLH development.

The Community Right to Build process, while potentially valuable, requires substantial reform to become a practical tool for community groups. Its current complexity and resource-intensive nature create significant barriers. This suggests a need to streamline administrative requirements and reduce the burdens associated with neighbourhood planning and referendums, while maintaining appropriate oversight.

National policy reform should establish a permanent CHF, providing consistent revenue and capital funding that groups can rely on for long-term planning. This should be accompanied by formal recognition of CLH models such as CLTs, as distinct affordable housing providers within planning policy. The framework should create clear pathways for groups to access development finance without requiring RP status, while standardising grant agreements and funding processes to reduce risk and complexity.

At the local authority level, policy changes should embed CLH within local plans and housing strategies. These should explicitly recognise and define community-led affordable housing products, including DMS when used by CLTs, as qualifying affordable housing. Local policies should require developers to consider CLH groups as potential partners in delivering affordable housing obligations; and develop standardised Section 106 templates that accommodate CLH models. This could be further supported and developed by CLT networks and organisations; and help to advocate this for the sector. Additionally, land disposal policies should recognise social value, enabling below-market sales to community groups, while dedicated planning officer expertise in CLH would help facilitate project delivery.

Best practice

- CLT delivery identified as a specific route for affordable housing delivery and local planning policies to support this. This would help streamline the process and reduce the need to explain the model repeatedly.
- At a local level, Councils can work to develop documents and strategies specifically supporting CLH as exampled in Southwark with their Land Commission and Affordable Housing SPD.
- Specific regional and local planning policy support for the delivery of CLH would potentially have a significant impact and help provide the 'additionality' to housing supply needed to achieve government targets.
- A simplified version of Community Right to Build orders can act as a useful mechanism for CLH from a planning perspective.

Each London planning authority has specific housing needs, and aims to meet these through a required range of different home sizes. These are expressed as a 'percentage unit mix' of one-, two-, three-, and four-bedroom homes. At London CLT's Citizens House development, the 11 homes were a mix of one- and two-bedroom flats, while the current Cable Street project for 40 homes will include one-, two-, three-, and four-bedroom homes to meet local planning policy requirements.

Many community-led projects have an ambition to provide larger homes for families and multi-generational living. However, where sites are small and costs are high, it is more economically viable to build smaller homes than larger ones, as they require less materials and land while still generating sales income. Therefore, there needs to be a careful balance in the mix of homes to maintain project viability. Community-led schemes are ultimately guided by both the needs of their community and what the site's financial viability can support in terms of housing mix.

5.2 Planning – Community Infrastructure Levy

The CIL is a requirement for new development to provide some funding for local infrastructure costs. Generally, community-led affordable housing is not required to contribute towards the CIL payments.

5.3 Planning – application

A planning application requires a complete submission package including application forms, planning statement, drawings, a Design and Access Statement, and specialist reports, along with a fee based on the number of homes. Once the application is validated, it receives a reference number and becomes publicly accessible for review.

London CLT's Citizens House project experienced a significant delay between pre-application and submission, taking approximately one year. This was primarily due to negotiations around the Section 106 agreement's Heads of Terms; and establishing recognition of the development as affordable housing. The extended approval process was largely attributed to limited capacity within Lewisham Council's legal department, as this pioneering CLT project required thorough review of the trust structure and allocations policy.

5.4 Planning – determination and decision

While planning decisions are officially set at eight weeks for minor applications (under 10 homes) and 13 weeks for major ones, actual timelines often extend longer. For example, London CLT's seven-home Susan Road project in Greenwich (Appendix 2c) took five months to secure consent. Once an application goes live, there's a three-week public consultation period where communities can submit supporting comments.

Planning decisions are made either through delegated powers (by planning officers) or by planning committee, varying by borough. Committee decisions, involving elected councillors voting in public meetings, are typically required for major applications or when local members 'call in' contentious cases. Greenwich's scheme, being under the Section 106 threshold, was decided through delegation. For larger projects, Section 106 agreements may be required to legally secure commitments such as affordable housing provision, though requirements vary by local authority.

Chapter 6 – Procurement

6.1 Types of contract

The procurement process in CLH represents a critical phase that begins after securing planning permission, where contractors competitively bid to construct the development.

Groups can choose between several approaches, with Design and Build being a common route where contractors take responsibility for both completing the design and determining construction methods. This approach, as demonstrated in London CLT's Greenwich scheme, often helps reduce consultant fees and minimise the risk of cost escalation during construction.

Alternatively, groups might opt for a traditional route led by architects, as seen at Citizens House; or pursue self-build approaches like those implemented by RUSS. The entire procurement process typically spans around six months, divided into three key stages: tender preparation, contractor pricing, and final negotiations leading to contract signing.

This timeline ensures thorough evaluation of options while maintaining project momentum. For groups seeking detailed guidance on procurement options, Community Led Housing London's hub website serves as a valuable resource, offering comprehensive information about different approaches and their implications.

6.2 The tender process

It is possible to tender a project on the same information prepared for a planning application. However, there is generally insufficient detail at that stage to guarantee the correct level of quality will be achieved; it is not advised for CLT. With London CLT's current projects in Greenwich, an extra layer of design detail will be prepared by the architect and landscape architect to lock in areas of design quality that are important for the success of the project.

While planning documents could be used for tendering, CLH projects benefit from developing additional design detail. London CLT's Greenwich projects showcase this approach, with architects specifying key elements such as landscaping, entrances, balconies, and internal layouts to ensure quality standards.

Externally, these will include the landscaping, entrances, balconies, windows and external walls, and internally typical kitchens and bathroom designs.

Working with the employer's agent, who will help prepare the employer's requirements, there will also be a project specification. Together with the detailed drawings, this information will be priced by selected contractors. The employer's agent represents the client's interests and helps prepare the employer's requirements: the detailed documentation specifying what contractors must deliver.

The tender typically involves four to six pre-selected contractors with relevant experience. Community-led projects can include broader social value requirements in the tender documentation, such as local apprenticeships or school engagement programmes, making these community benefits part of the contractor's obligations.

6.3 Negotiation and contract

Once tenders have been returned by the selected contractors, it is not unusual to have two potential contractors – in which case a clarification process takes place to ensure a like-for-like comparison of tender returns. Ideally the tenders are close to the cost plan estimate, and the project remains on budget and can proceed.

If the tender returns are above the cost plan estimate, then there will be a need to carry out a value engineering process to reduce construction costs to a viable level. Sometimes savings can be made where the overall project specification is maintained but the contractor is able to offer an alternative option at a lower price through their supply chain. Sometimes, changes are required to make the savings needed.

In the case of Citizens House in Lewisham, the tender return was £3m with £500k of savings needed to meet the budget of £2.5m. Savings were made across the project – including, for example, replacing pre-cast concrete panels with vertical brickwork that achieved a similar appearance. Once contract negotiations are complete, development finance can be finalised.

A lead-in period is typically agreed as part of the construction contract, usually ranging from one to three months depending on project complexity. This period allows contractors to arrange site logistics and prepare for taking possession of the site. Ideally, this timing aligns with the legal completion of the land transfer, enabling the contractor to take direct possession of the site.

This alignment is crucial for CLH groups such as London CLT, as it avoids the need for interim site security and complex insurance arrangements that would typically be managed by larger organisations such as housing associations. Any conditions subject to planning are usually "back-to-back" (aligned) with this handover to ensure a smooth transition of site responsibility.

Chapter 7 – Construction

The construction stage of a community-led project is both rewarding and challenging. Finally, after many years of campaigning, designing and planning, the project starts to come to life, taking shape as new homes for local people. At the same time, it is also challenging to manage decisions and cashflow, and ensure that project quality is maintained and delays are minimised.

Two recently completed projects, both in Lewisham, demonstrate that CLT developments can be delivered successfully. Church Grove, by RUSS, completed in 2024 with 37 new homes; and Citizens House, by London CLT, completed in early 2023 with 11 homes.

7.1 Managing

Community-led organisations typically lack the in-house expertise to manage construction contracts effectively. For their Citizens House project, London CLT addressed this by engaging an employer's agent to act as contract administrator, representing their interests and liaising with the contractor.

The employer's agent also served as Clerk of Works, monitoring construction quality and documenting monthly site progress.

London CLT opted for an early contractor involvement approach by entering into a pre-agreement, committing to its chosen contractor at an early stage. This differs from traditional procurement routes, as both London CLT and RUSS chose to work with the same contractor through a single-stage design-and-build contract, rather than pursuing a two-stage tender process.

Under the design-and-build contract, contractor proposals for elements like detailed balcony design were jointly reviewed by the employer's agent and client project manager, ensuring compliance with specifications and design intent drawings to maintain quality standards.

7.2 Costs and cashflow

Construction costs are always paid in arrears, and are monitored by an overall project cashflow with associated monthly valuations and requests for payment. These are reviewed and approved by the employer's agent prior to payment by the client. Citizens House employed good practice by only drawing down on the loan for the amount needed accordingly to the monthly valuation, reducing interest payments. On completion the construction loan was part repaid with the capital receipt for each home sale, and repaid in full with the final sale.

London CLT's Citizens House project received additional support from the GLA following an early project revaluation. The project's ability to break even while delivering good-quality homes demonstrates effective project management and contractor performance, even when faced with budget adjustments. This outcome highlights that CLH projects can successfully manage costs, albeit sometimes requiring additional funding support to maintain viability.

7.3 – Handover and completion

The handover of a completed housing project represents a significant milestone for the entire community, especially new residents. Before handover, thorough quality-control checks and 'snagging' inspections are conducted to identify and address any defects. At Citizens House, completion was delayed by two months (December 2022 to February 2023) due to wet weather and necessary landscape redesign after discovering a gas pipeline in an unexpected location.

Utility connections remain an inherent challenge in development, though future schemes may face fewer complications as buildings move away from gas infrastructure toward renewable energy systems. However, other utility providers, particularly Thames Water, continue to present significant challenges with connection delays despite scheduled appointments and payments, which can impact handover timing.

These delays created challenges for residents who needed to coordinate their moves with existing rental agreement notice periods. Best practice suggests conducting pre-sales assessments early, ensuring residents have mortgages in principle, and building in a two-month margin of error when communicating handover dates.

Planning handovers for spring or autumn can help mitigate weather-related complications, as external works are particularly vulnerable to winter conditions. This additional buffer allows residents to better plan for potential delays while giving developers more flexibility in managing external factors beyond their control.

Chapter 8 – Allocations

8.1 Allocations process and timing

A clear allocations policy is essential to demonstrate how a project serves its target demographic and benefits future residents. For CLH projects, this policy typically aligns with local authority requirements to ensure housing benefits the local community, while considering borough-wide housing needs surveys. In the case of London CLT's DMS product, the focus is primarily on income levels that match local affordability criteria.

The Citizens House allocations process began 12 to 18 months before anticipated move-in dates. London CLT managed applications through Salesforce, a secure online platform, implementing a small £8 application fee to ensure serious intent from applicants. Initial marketing targeted local institutions; but when the price point proved too high for many potential local applicants, outreach expanded to wider platforms including Homes for Londoners and various London-wide newspapers.

This broader marketing approach encountered challenges, particularly around trust and awareness. Some residents were sceptical, viewing the opportunity as "too good to be true" due to limited understanding of the CLT model. This highlighted the need for clear communication about the CLT model and its legitimacy as an affordable housing provider. Consequently, additional marketing efforts were required to secure sufficient applications, ensuring a robust pool of potential residents.

8.2 Fair selection process

The application review process was designed to be thorough and fair. Each application was reviewed multiple times by different people, including staff and board members. A scoring system was used, weighted towards housing need, though the exact details of this system were not shared with applicants to prevent gaming. As an additional check, an external allocations panel reviewed and interviewed pre-screened applications to provide an outsider perspective.

London CLT considered offering paper applications for accessibility, but ultimately couldn't accommodate this administratively. As a workaround, London CLT offered in-person assistance for filling out applications and ran workshops on management of responsibilities, finances, and group dynamics for successful applicants.

Best practice

- Develop a robust communication and outreach strategy for allocations. It is critical to engage with the community early. There is also a need for education and awareness of CLTs as an entity – so this might be something to consider as part of an organisation's overall communications strategy (not just for allocations).
- The allocations process should be considered a year in advance of moving residents into the development. This will enable enough time for the recruitment and the setting-up of an RMC.
- Consider an objective scoring system, external validation, accessibility support, and transparency in communication throughout the process so that it is equitable for all involved.

Chapter 9 – Handover and community stewardship

9.1 Resident management

The handover process for the Citizens House project was a carefully planned transition that began ahead of completion. This process aimed to ensure that residents were well prepared for their new homes and roles within the CLT community.

Approximately a year before the anticipated move-in date, London CLT began setting up the resident management structure. This early start was crucial in preparing the future residents for their responsibilities, and fostering a sense of community ownership. The process involved a series of workshops and meetings designed to educate and empower the incoming residents.

> "I ran two or three online workshops, like one about going through the management articles and pulling out key clauses and as residents what their responsibilities would be, and their voting rights and things went through another one on finances and budget, both like a little bit on personal budget, but mainly on like sales budget. And then one on, like, how they wanted might want to work together as a group."
>
> Hannah Emery-Wright, Communities Manager, London CLT

As the completion of the build approached, London CLT organised in-person meetings, including a preliminary management meeting. This meeting was successful, with representatives from every household attending, demonstrating a high level of engagement among the future residents.

During this transition period, London CLT and project staff, including Hannah Emery-Wright and Janet Emmanuel, served as named members on the RMC[10] to help with the management. This arrangement provided continuity and support as the residents prepared to take over these responsibilities.

When management responsibilities were handed over, the residents showed great enthusiasm. Initially, London CLT had suggested having three voting board members for the RMC, but the residents opted for four, wanting to share the responsibilities more broadly. This level of engagement was seen as a positive sign for the long-term success of the community.

The handover process for Citizens House was supported by early preparation, comprehensive education, and a gradual transition of responsibilities. This approach helped ensure that when the building was completed and residents moved in, they were not just occupying new homes but were prepared to take an active role in managing and nurturing their new community.

Community stewardship stands at the heart of London CLT's housing approach, extending beyond development and allocation. This process begins well before residents move in, with the goal of empowering residents to actively manage their community. As Oliver Bulleid, Chief Executive of London CLT, explains:

> "We need to have a long-term view of residents' lives through sustainable stewardship. Building successful communities requires dedicated funding and capacity for community engagement. Success isn't just about homebuilding – London CLT aims to add value through neighbourhood building and demonstrating innovative approaches to community development."

At Citizens House, London CLT initially supports this transition by having staff members serve on the RMC, gradually transferring control to residents. This approach ensures that communities develop the capability and confidence to become true stewards of their shared environment, marking the evolution from a housing development to a thriving, self-sustaining community.

Best practice

- Help residents to build their own agency through the delivery of online workshops that cover key aspects of community living and management. Successful workshops in the past include:
  - Management articles and responsibilities: a workshop focused on the legal and practical aspects of managing the property, helping residents understand their rights and duties.
  - Finances and budgeting: a workshop to help residents with personal budgeting and the financial management of the community, ensuring residents are prepared for the financial aspects of homeownership and community living.
  - Group dynamics and collaboration: a workshop aimed to build a strong community foundation, teaching residents how to work together effectively.
- Consider setting up an RMC that serves the purpose of the CLH/CLT development.
- Ensure ongoing support or a dedicated communities manager to work alongside residents to provide more consistent, long-term stewardship beyond the initial move-in period.

Chapter 10 – Conclusion

CLTs represent an innovative and viable approach to delivering genuinely affordable housing in London on small sites, as demonstrated through London CLT's successful projects – such as Citizens House, and its ongoing developments. The experiences documented throughout this guide highlight several critical factors for successful CLT development on small sites.

Strong community engagement is fundamental from the outset. London CLT's approach of working closely with CUK and local community organisations has proven essential for building support within the community; securing land; and maintaining momentum throughout the development process. London CLT's tripartite board structure and governance of its projects ensures genuine community leadership and stewardship of the homes developed.

Land acquisition remains one of the biggest challenges, particularly in London's competitive market. The success of sites coming forward through the GLA's Small Sites Small Builders programme, on an RLV basis, demonstrates the importance of needing political will, buy-in and clear policy frameworks. Local authorities play a crucial role in working with CLT organisations to identify suitable sites and de-risking them before transfer. This work has previously been proven to work best when conducted in a collaborative manner.

Funding presents ongoing challenges, particularly for early-stage development costs. While the CHF has provided crucial support, there is a need for more sustainable funding mechanisms. London CLT's innovative use of CSOs and ethical development finance shows how projects have used current and existing funding models to develop affordable housing. However, strategic ways of using other funding sources (such as Right to Buy receipts, section 106 contributions and CIL) could help early-stage CLT development. CLTs must work closely with local authorities; and there must be clear policies that align with this type of development.

Planning remains complex for CLT developments, with many local authorities still unfamiliar with the model. Local authorities face distinct valuation rules depending on whether land is classified as HRA or falls under other council ownership categories. This creates different pathways and considerations for CLT development. The RICS valuation process and resulting RLV calculations are crucial elements in determining project viability.

Robust planning policies, effectively supporting land use for CLT development, are needed. For example, these could include borough-wide Supplementary Planning Documents (SPDs), Development Plan Documents (DPDs), or other planning policies. Such documents should specifically support community-led housing on small sites, establish clear affordability requirements, and identify suitable sites through local and neighbourhood plans. Once these planning policies are in place, they inform the RICS valuation process, typically resulting in a nominal RLV that makes the project financially feasible for CLT groups.

Looking ahead, there are opportunities to unlock small sites for CLT development in London. However, it will require continued policy support, sustainable funding mechanisms, and standardised processes for land transfer and development. The success of completed projects demonstrates that with appropriate support, CLTs can deliver high-quality, permanently affordable homes while building stronger communities.

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7. Russell Curtis, Small Sites AI tool, 2022 (accessed 10 August 2024)

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9. RICS, Strategic Public Sector Property Asset Management, 3rd edition, 26 September 2022 (accessed 10 September 2024)

10. Resident Management Company: More on what it is and how it works with London CLT can be found at: Community Land Trust Network, Resident Management at London CLT: Lessons Learnt

Appendices

Appendix 1 – Sites requirement document developed by London CLT

Can be accessed at:
https://drive.google.com/file/d/1eimyUhp3lDF27SBHp6Jv2fsl7pn1oNJs/view?usp=sharing

Appendix 2 – Case studies of CLT projects

2a. Citizens House, Brasted Close – by London CLT

2b. Cable Street – by London CLT

2c. Susan Road – by London CLT

2d. Felixstowe Road – by London CLT

2e. Church Grove – by RUSS

2f. Daleham Gardens – by NW3 CLT

2a. Citizens House, Brasted Close

Project description

Initiated by the local community, 11 new homes built on a local authority garage site in Sydenham and existing residents involved in the process. The homes are genuinely affordable and protected in perpetuity.

Community group and structure

Lewisham Citizens, part of CUK, held an assembly with 400 people before the local elections in 2014 and persuaded the then Mayor of Lewisham, Sir Steve Bullock, to work with local people to deliver CLT homes in the borough.

After extensive community site walks and a local membership drive, Lewisham Citizens brought in London CLT to discuss specific potential sites with the council. They also engaged with residents and neighbours, and gradually built up a CSG to help with the plans.

Key challenges

- **Funding –** As the design stages took place before the CHF was available, funding to support pre-development and planning stages was not readily accessible.
- **London CLT's first development** – Steep learning curve to build a team and the knowledge required.
- **Site constraints** – Restricted construction access, plus a gas main running underneath the site.
- **Reliance on external consultants –** Introduced additional cost, and the potential risk of not becoming an intelligent and knowledgeable client.

Successes

- **Securing grant funding** – Capital grant funding through the GLA's CHF addressed the viability gap, allowing all homes to be genuinely affordable to local people on average incomes.

- **Completing construction –** The construction phase progressed well, and project quality was maintained throughout the design-and-build contract.

- **Maintaining budget** – There was a budget and grant uplift during the project; however, the construction contract was delivered on budget. A major achievement for the project team and the contractor on such a small, complex site.

- **Resident selection and engagement** – London CLT started the home allocations process during the construction phase, ensuring most homes were allocated prior to completion.

- **RMC** – This was set up before completion, with resident engagement, to ensure smooth handover on completion.

Site in numbers

- 2023 completion
- 0.1 hectares site area
- 11 homes in total
- 110 homes per hectare
- DMS price based on median income
- 65 per cent of open market value
- Six two-beds at £272,500
- Five one-beds at £215,000

Financing

- Grant – GLA CHF
- Big Issue Invest Construction Finance
- CSO – London CLT CSO

The site

The site was identified by the local community who lobbied the council to release it for community-led affordable housing.

LB Lewisham retained the freehold and sold a long leasehold of 250 years to London CLT.

The site went through a process to confirm an RLV and was subsequently transferred for a nominal value of £1, based on being developed for genuinely affordable homes.

Use of the site was restricted to affordable housing in perpetuity, based on London CLT's model of sales linked to average incomes.

Grant funding

GLA capital grant through the CHF to help fund procurement and construction and address the viability gap for the London CLT DMS homes with prices set at levels affordable to local people on average incomes.

Development finance

Construction finance of £2.5m through Big Issue Invest's £10m London Housing Fund, supported by the GLA.

In 2016 London CLT raised £500,000 through a CSO, to support this and other projects.

Political buy-in

Support from Lewisham council officers and local councillors ensured that the site was able to be transferred to London CLT, on condition that genuinely affordable homes for local people were built there.

Pricing

Home prices are set at affordable levels, accessible for local people on average incomes in Lewisham.

Any resale is also linked to average income, ensuring affordability in perpetuity.

Procurement

The local community selected the architects from a shortlist of four and remained involved throughout including with the procurement of the successful construction company.

Community engagement summary

- The campaign began in 2014 with Lewisham Citizens.
- Extensive community involvement in the design process.
- Regular community events, workshops and meetings.
- A CSG formed in 2017.
- Over 100 people applied for 11 homes.
- London CLT's first direct development.
- RMC formed by the residents.

The project team

- Archio Architects selected through a community voting process.
- Rooff selected as construction company.

Project management

- A CSG of local residents shaped project decision-making.
- London CLT provided legal and financial management, with external consultant support.

Handover

First residents moved in at the beginning of 2023.

Allocations process

Allocations process developed by CSG with a focus on fairness, transparency, and local connections.

Management and stewardship

Residents and local people continue to manage and make decisions over shared spaces.

The RMC formed, with residents as Directors of the RMC and able to decide how their homes are maintained managed in the long term.

The RMC is able to hire (and fire if needed) the managing agent, thereby retaining control over service charge and key decisions for their development.

Timeline

- 2014: Campaign.
- 2016: Site identified.

- 2018: Planning submission.
- 2019: Planning permission.
- 2020: GLA grant-funding agreement.
- 2021: Construction started.
- 2023: Construction completed.
- 2023: Residents move in.

2b. Cable Street

Project description

A tight-knit Shadwell community is working hard to turn a disused TfL site into London CLT's largest CLT project, with 41 homes, green spaces and a community room.

Community group and structure

A community group was established in 2016 by the director of the Centre for Theology and Communities, and the local church.

The group worked with the East London Mosque through CUK to conduct neighbourhood mapping and identify potential sites.

The CSG, which started with 12-15 members, experienced fluctuations in engagement over time, at one point dropping to just five active members where five is the nadir. Currently, the project is supported by a core team of 12-13 people, primarily from the church but also including some Muslim leaders and local residents passionate about affordable housing.

. Currently, the project is supported by a core team of 12-13 people, primarily from the church but also including some Muslim leaders and local residents passionate about affordable housing.

Key challenges

- **Site complexities and costs** - Not realising how challenging and expensive the site would be to develop, partly due to its proximity to a railway.
- **Negotiating with institutional bodies** – The project struggled with negotiating the land value and level of grant support, and faced potential loss of the site.
- **Maintaining consistent community engagement** – Keeping the community engaged over a long period, especially during delays and setbacks, was challenging.
- **Funding and affordability issues**

  Land costs, limitations of grant funding, mismatches between affordability metrics and local income realities brought up community concerns.

Successes

- **Initial site acquisition** – Successfully identifying and securing the Cable Street site through the GLA's Small Sites Small Builders programme in 2018, which was a quick win for the community.
- **Political support and public commitments** – Gaining support from key political figures, including the local mayor and the Deputy Mayor of London, Tom Copley; and securing public commitments from high-level officials such as Sadiq Khan, Mayor of London.
- **Community mobilisation** – Mobilising the community to fight for the project when faced with potential site loss in August 2023, which re-energised local involvement and brought back previously disengaged members.

Site in numbers

- 2028 estimated completion – currently at pre-planning design
- 0.2 hectares site area

- 41 homes in total
- 205 homes per hectare
- DMS price based on median income
- 65 per cent of open market value

Financing

- Grant – GLA CHF
- Development finance – to follow, but likely commercial loan at max 65 per cent GDV
- CSO – London CLT CSO support prior to CHF

The site

A community-led campaign identified the site potential.

The site is owned by TfL and brought forward for CLH through the GLA's Small Sites Small Builders programme in 2018.

London CLT was successful with a community bid in 2018.

At bid stage in 2018, the development appraisal indicated an RLV of £2.1m based on genuinely affordable homes and with grant support of around £50,000 per home.

Subsequent increases in build costs and interest rates have led to viability challenges, although with increased grant support the project is viable, albeit potentially with a reduced RLV.

Use of the site is restricted to affordable housing in perpetuity, based on London CLT's model of sales linked to average incomes.

Freehold retained by TfL, with 250-year lease granted to London CLT.

An agreement for lease is in place until the main lease is transferred post-planning at the start of construction on site, subject to conditions being met.

Grant funding

GLA revenue grant through the CHF to support pre-planning and planning stages.

Political buy-in

Strong support from political figures and backing from Mayor of London Sadiq Khan, and Deputy Mayor of Housing Tom Copley.

Community engagement summary

- Campaign began with local church and East London Mosque .
- CSG formed.
- Long-running locally driven campaign for affordable housing.
- Neighbourhood Walk for Affordable Housing in 2016.
- Public meetings and community events.
- (e.g., Community Brief event, "choose your architect" event).
- Regular community meetings and drop-in events.
- Stall in Watney Market to engage local people.

The project team

- Levitt Bernstein Architects selected through community voting process.

- London CLT as development manager, with support from Potter Raper.

Project management

- CSG of local residents shaped project decision-making.

- London CLT provided legal and financial management, with external consultant support.

Timeline

- 2016: Initial group formed and potential sites explored.

- 2018: Site placed on GLA's Small Sites Small Builders portal and London CLT bid successful.

- 2019-21: Land transfer, initial funding, feasibility and financial appraisals.

- 2022: Planning pre-app.

- 2023: Revised approach to funding and viability.

- 2024: New grant-funding agreement.

- 2025: Anticipated planning application.

- 2026: Anticipated construction start.

- 2028: Anticipated completion.

2c. Susan Road

Project description

On a site identified by the local community, seven new homes are to be built. All homes will be genuinely affordable and protected in perpetuity.

The site is in Kidbrooke, and is currently occupied by garages where local residents identified the need for a safer, greener pedestrian route to Kidbrooke Parade.

Susan and Felixstowe Road were sites identified by the council. They then prepared a well run and thorough process for handing those sites to a community led partner. The process was quick and galvanised the community in co-creating the submission.

Community group and structure

Led by GCH, a volunteer-run local campaigning group for affordable housing in Greenwich in the form of a CLT began in 2018.

In 2022, GCH and London CLT were selected by the local council to steward two sites in Greenwich through a competitive bidding process, marking a significant milestone in the campaign's history.

Key challenges

- **Site complexity** – The site is small, split into two portions of land across a road and potentially challenging to develop viably on its own.
- **Funding delays** – The GLA revenue grant took six to nine months to secure, rather than the expected three months, which caused delays.
- **Financial viability** – Concerns about financial viability without the connection to the other project in Greenwich.

Successes

- **Efficient bundling** – The project was successfully bundled with a larger site (Felixstowe Road), allowing for efficiencies in design, legal processes, and community engagement.
- **Council collaboration** – There was a proactive and positive relationship with Greenwich Council, which helped streamline the process.
- **Timely progress** – Despite some delays, the project moved forward relatively quickly from site acquisition to planning application.
- **Funding secured** – Susan Road has confirmed approved capital from the GLA's CHF.

Site in numbers

- 2026 estimated completion
- Planning consent
- 0.07 hectares site area
- 7 homes in total
- 100 homes per hectare
- DMS price based on median income
- 65 per cent of open market value

Financing

- Grant – GLA CHF, both revenue and capital
- Development Finance – likely to be with Big Issue Invest
- CSO – London CLT CSO support prior to CHF

The site

A community-led campaign identified the site potential in 2018.

The site is owned by the Royal Borough of Greenwich and was brought forward for CLH by the borough in late 2021.

London CLT was successful with a community bid in 2022.

At bid stage the development appraisal indicated an RLV of zero (£1) based on genuinely affordable homes, and with grant support of around £100,000 per home.

Subsequent increases in build costs and interest rates have led to viability challenges, although with increased grant support the project is viable.

Use of the site is restricted to affordable housing in perpetuity, based on London CLT's model of sales linked to average incomes.

Freehold title to be transferred to London CLT, with restrictions to use for community-led affordable housing.

Grant funding

- GLA revenue grant through the CHF to support pre-planning and planning stages.
- GLA capital grant through the CHF, agreed in principle, to support procurement and construction stages.

Political buy-in

Working with local Greenwich councillors to lobby for commitments for affordable community-led homes, Greenwich Council decided to release two sites for CLT housing in 2021.

Community engagement summary

- GCH is a volunteer-run local campaigning group.
- Extensive outreach to local people since 2018.
- Community-led design process with local involvement from the beginning.
- Open-air gathering in December 2019 to meet local residents.
- CSG formed, inviting local people to join.
- Regular workshops and local outreach events.
- "Choose your architect" day held in November 2022, involving 50+ community members.
- Workshops to update wider community during design and planning application process.

The project team

- Archio Architects selected through community voting process.
- London CLT as development manager, with support from a development consultant.

Project management

- CSG of local residents shaped project decision-making.
- London CLT provided legal and financial management, with external consultant support.

Timeline

- 2018: Initial group formed and potential sites explored.
- 2021: Two sites in Greenwich offered for community led bids.
- 2022: London CLT bids successful for both sites, with bids linked for economy of scale.
- 2022: Land transfer – exchange of contracts.
- 2023: GLA revenue grant-funding agreement through CHF.
- 2024: Planning application and consent.
- 2024: GLA revenue grant-funding agreement through CHF.
- 2025: Anticipated start of construction.
- 2026: Anticipated completion.

2d. Felixstowe Road

Project description

On a site identified by the Royal Borough of Greenwich, nine new houses are to be built. All homes will be genuinely affordable and protected in perpetuity.

The site, in Abbey Wood, is currently occupied by vacant garages. It has associated problems with anti-social behaviour and drug use.

The site is overgrown and disused, offering an opportunity to create a safe play street and community green spaces.

Susan and Felixstowe Road were sites identified by the council. They then prepared a well run and thorough process for handing those sites to a community led partner. The process was quick and galvanised the community in co-creating the submission.

Community group and structure

Led by GCH, a volunteer-run local campaigning group for affordable housing in Greenwich in the form of a CLT began in 2018.

In 2022, GCH and London CLT were selected by the local council to steward two sites in Greenwich through a competitive bidding process, marking a significant milestone in the campaign's history.

Key challenges

- **Site complexity** – The site has a culverted below-ground river which has restricted development to within the footprint of the existing garages.
- **Funding delays** – The GLA revenue grant took six to nine months to secure, rather than the expected three months, which caused delays.
- **Financial viability** – Concerns about financial viability without the connection to the other project in Greenwich.

Successes

- **Efficient bundling** – The project was successfully bundled with a smaller site (Susan Road), allowing for efficiencies in design, legal processes and community engagement.
- **Council collaboration** – There was a proactive and positive relationship with Greenwich Council, which helped streamline the process.
- **Timely progress** – Despite some delays, the project moved forward relatively quickly from site acquisition to planning application.
- **Funding** – Felixstowe Road has funding to planning and is likely to receive capital grant from the GLA's CHF.

Site in numbers

- 2026 estimated completion
- Planning application submitted
- 0.16 hectares site area
- Nine homes in total
- 56 homes per hectare
- DMS price based on median income

- 65 per cent of open market value

Financing

- Grant – GLA CHF, revenue secured and capital anticipated.
- Development finance – likely to be with Big Issue Invest.
- CSO – London CLT CSO support prior to CHF.

The site

The site is owned by the Royal Borough of Greenwich and was brought forward for CLH by the borough in late 2021.

London CLT was successful with a community bid in 2022.

At bid stage the development appraisal indicated an RLV of zero (£1) based on genuinely affordable homes and with grant support of around £100,000 per home.

Subsequent increases in build costs and interest rates have led to viability challenges, although with increased grant support the project is viable.

Use of the site is restricted to affordable housing in perpetuity, based on London CLT's model of sales linked to average incomes.

Freehold title to be transferred to London CLT, with restrictions to use for community led affordable housing.

Grant funding

- GLA revenue grant through the CHF to support pre-planning and planning stages.
- GLA capital grant through the CHF is anticipated to support procurement and construction stages.

Political buy-in

Working with local Greenwich councillors to lobby for commitments for affordable community-led homes, Greenwich Council decided to release two sites for CLT housing in 2021.

Community engagement summary

- GCH is a volunteer-run local campaigning group.
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The project team

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- London CLT as development manager, with support from a development consultant.

Project management

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- London CLT provided legal and financial management, with external consultant support.

2e. Church Grove

Project Description

The Rural Urban Synthesis Society (RUSS) is a CLT with the aim of creating sustainable community-led neighbourhoods with affordable housing.

The ambitious Church Grove scheme of 36 homes offers part self-build opportunities and affordable homes for local people.

RUSS has also self- built its community hub that is available at discounted rates for use by local community organisations such as the Ladywell society, local Choir group, Ladywell gardeners etc.

Community Group and Structure

The founding chair drew on his experience of growing up on Walters Way and living in Sanford Co-op, to gather a community of supporters and raise funds to incorporate a Community Benefit Society in 2009. They built membership, giving anyone the opportunity to become a member of RUSS by buying a £1 share which gives them a vote on the decision making board.

Individuals can buy more shares but do not receive more votes. RUSS have an active membership with over 1100 members, running education and outreach programmes. The level of organisation has also grown significantly, hiring consultants and employing staff, while continuing to be volunteer-run and maintaining open member meetings

Key Challenges

- **Competition between community land trusts (CLTs) for the same sites** – CLTs were invited to compete for the same site which is resource intensive especially for voluntary organisations.
- **Lack of land and need for grant funding** – RUSS develops sustainable neighbourhoods containing all affordable housing across multiple tenures, including shared ownership, discounted sales and rental homes and requires both revenue and capital grant to deliver the projects.
- **Navigating the complex land acquisition process** – RUSS had to go through a tender process with the council, which involved meeting various criteria and conditions before the land could be transferred.
- **Management of rental homes:** RUSS is working towards becoming a registered provider so that it can manage all homes in its multi tenure model.

Successes

- **Development caters for different income levels and ages** – RUSS looked at income levels across Lewisham and Greenwich to determine the appropriate mix of tenures including social rent, London affordable rent, London living rent.
- **Involvement of community-** Organisational resilience through involvement of future residents, volunteers, and members.

- **Strong residential community-** Delivering landscaping scheme, managing self-build hub, developing residents' association.
- **Fruitful and supportive Partnership with GLA and Lewisham council** - Project was able to overcome financial hurdles.
- **RUSS provides educational programmes and capacity building -** RUSS delivers educational programmes that can help others to build knowledge on how to deliver community-led housing.
- **Wider awareness of community-led housing –** RUSS held workshops in schools to spread awareness and this helped to engage the local community and build support for their approach.

Site in Numbers

2023 completion

0.3 hectares site area

36 homes in total –

- 16 properties available on Fixed equity
- 12 homes shared ownership
- 2 shared homes (with 6 rooms) for affordable rent
- 6 homes for social rent

Self-build hub approximately 50m2 for community use.

Community playground for Lewisham.

120 homes/ hectare

Financing
Grants and Loans at early stage from CAF Venturesome, Tudor trust, Locality, Lewisham council, BPA and GLA for pre-planning and planning

Construction part financed through the following:

-GLA Community Housing Fund capital grant -

-Senior lender-Triodos Corporate finance-

-Subordinate development finance - B.I.I.-

The Site
The site was council owned land in Lewisham and had been vacant for a number of years.

It was identified by the community and proposed for community led housing to the local council.

The site was secured through a competitive bid process and RUSS were successful with their bid.

The site was designated for community-led self-build housing

Grant Funding

GLA early stage grant

CAF Venturesome support for pre-development

GLA capital grant for construction

Political Buy In

Support from Lewisham Council due to historic self-build legacy (Walter Segal). Initial council interest in community-led housing.

Site secured through tender process

Procurement

The project was procured on a JCT Design and Build contract, with Rooff selected as the main contractor.

Note: This is the same contractor for the London CLT project at Citizens House, also in Lewisham and constructed at a similar time.

Community Engagement Summary

£1 membership scheme with over 1000 members
Education and outreach programmes
Co-design sessions with residents

Active residents' group involved in decision-making

Regular community events and workshops

The Project Team

Shepherd Epstein Hunter (principal architect)

Architype and Jon Broome Associates

Stockdale- Project manager and Contract administrator

Clients Representative- HUSH Project Management and Consulting

Rooff (main contractor)

JCT Design and Build

Project Management

RUSS as development manager with Church Grove project board consisting of Paid staff, Volunteers, expert advisors and professional Project team.

Community Benefit Society society.

Hiring consultants while maintaining volunteer base

Timeline

2014-2015: RUSS bid for site through council tender
2018: Planning permission received 2020: Development agreement finalised
2024: Construction completed

2f. Daleham Gardens

Project description

NW3 CLT is a registered CLT based in Camden. It was formed in 2015 after the council was selling off council properties in the NW3 area to the highest bidder without providing any affordable housing. The CLT has been trying to acquire and develop sites for affordable housing in the NW3 area with a focus on council-owned sites.

Community group and structure

It was set up by three initial members: Sanya Polescuk; a local councillor; and a local friend (who later became NW3 directors).

There is a £1 membership fee to encourage broad community participation. Most of the engagement has been through local leafleting, social media, public meetings and social gatherings.

The organisation built legitimacy through persistent community engagement and local press coverage. It has also attracted housing association professionals as members to further its credibility.

The CLT has secured its first development site from Camden Council, having obtained planning permission in February 2024.

The CLT is working to deliver 50 per cent affordable housing on their first project – operating with 7.5-8 per cent projected surplus to enable commercial borrowing.

Key challenges

- **Identifying and accessing 'small sites' owned by the council** – NW3 CLT found it difficult to access any of the small sites available within the borough.

- **Local authority's capacity to adapt to community-led organisations** – Councils have systems set up to work with larger developers. This was particularly difficult for NW3, as there were multiple rounds of approvals and paperwork requested even after previous milestones had been reached.

- **Community opposition** – Local residents mounted complaints against the development plans, expressing suspicion about their motives.

Successes

- **Securing the 11-home site from the council** – NW3 CLT was able to agree with the council for the purchase of the site. The council had initially planned to sell on the open market.

- **Building partnerships** – The CLT has developed partnerships with local councillors, including one with a portfolio for development. They have also worked with housing associations and organisations such as Voluntary Action Camden.

- **Initial funding secured** – The CLT secured some early-stage funding from sources like the CLT Network to develop their business plan for the site. This helped to make their case to the council about the site.

Site in numbers

- Planning obtained February 2024

- Minimum 50 per cent affordable units agreed

Financing

- £500 grant from National CLT Network for website
- Individual private donations from members
- Community Led Housing London funding for business planning and project management

The site

- Council-owned building in Camden NW3
- Secured through negotiation with council
- Draft 250-year lease agreement
- Minimum 50 per cent affordable housing requirement

Grant funding

- National CLT Network initial funding
- Community Led Housing London support for business planning
- GLA CHF grant support

Political buy-in

- Initial Liberal Democrat councillor support
- Built cross-party support (Labour and Lib Dem)
- Unanimous cabinet approval in September 2020
- Local party involvement through Labour Party membership

Community engagement summary

- £1 membership scheme
- Local leafleting and social media outreach
- Public meetings and social gatherings
- Persistent community engagement building legitimacy
- Housing association professionals as members

The project team

- Mole Architects
- Professional project management support
- Housing association partnerships
- Voluntary Action Camden collaboration

Project management

- Set up by three initial members.
- Built credibility through professional partnerships.
- Working to deliver 50 per cent affordable housing.
- Operating with 7.5-8 per cent projected surplus