

**RTPI**

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23rd December 2008

Mr Iqram Patel  
Department for Communities and Local Government  
Zone 6/H10  
Eland House  
Brassenden Place  
London  
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## Community Land Trusts Consultation Response

Dear Mr Patel,

Thank you for the opportunity to respond to the above consultation. The Royal Town Planning Institute is the leading professional body for spatial planners in the United Kingdom. It is a charity with the purpose to develop the art and science of town planning for the benefit of the public as a whole. It has over 21,000 members who serve in government, local government and as advisors in the private sector. This response was drafted following an internal consultation with members of the RTPI Planning with Communities and Rural Planning Networks.

The RTPI broadly supports the planning aspects of the consultation paper and considers that Community Land Trusts have important role to play in helping to achieve the Government's housing targets, helping to alleviate the severe pressure for affordable housing in both urban and rural locations and allowing local communities and decision makers to play a key role in deciding what will work for their communities. However, the RTPI considers that the consultation document would have benefited from the inclusion of material produced by the University of Salford pilot report '*Then we do it ourselves: A report on the rural community land trusts*' published in 2008.

Whilst the RTPI endorses the emphasis on the importance of delivering affordable housing, in both urban and rural areas, it is important to remember that both the Goodman review (published in 2006) and Taylor review (published in 2008) have already stated that this is a time for action to address the much documented acute shortage in affordable rural housing.

1. Do you agree that the CLT model has a role to play in a 'mixed economy' of different social and affordable housing providers?

The RTPI strongly agrees that the Community Land Trust model has an important role to play within the 'mixed economy' of social and affordable housing providers. Both the rural and urban pilot studies funded by the Housing Corporation and others, and 'published in 2008 makes a clear case for the role Community Land Trusts have to play in helping to deliver the Government's housing targets – its is a real shame that more information from the pilot study was not included within this consultation; the pilot study contains real case examples that would have helped to illustrate the consultation document more effectively. The pilot reports made a number of sound recommendations that appear to be missing from the consultation paper.

Whilst Community Land Trusts cannot provide all the solutions to the affordable housing problem, they can play a key role in providing rural parishes with an opportunity to provide housing for their community; Community Land Trusts therefore can be seen as a key enabling mechanism to address local housing shortfalls locally. Community Land Trusts also offer an opportunity to help bridge the gap between social rented housing (generally available to those on incomes of £10,000 or less) and outright home ownership, which is only a realistic option for those earning at least £30,000. Community Land Trusts can work alongside other providers, such as housing associations, helping to ensure that there is a permanent stock of sustainable and affordable housing that remains in the community, and can, in particular, play an important role in providing intermediate market housing for rent at a level of 80% market rent, providing part-equity homes costing up to 3.5 times local household income and supporting sustainable home ownership for lower income households.

## **2. What role can CLTs play in both a rural and urban context?**

In the past, much emphasis has been placed upon the use of Community Land Trusts in rural areas, however the RTPI believes that Community Land Trusts can provide opportunities for affordable housing within urban areas, as suggested in the Joseph Rowntree Foundation Centenary report '*Land for Housing*'. The RTPI considers that there are two principal roles Community Land Trusts can play that apply equally in rural and urban situations, though there may be obvious differences in scope and scale:

### **Affordable housing in perpetuity**

Planning Policy Statement 3 has specific requirements in its definition of affordable housing. These are discussed more fully below in the response to Question 3 below on Value for Money.

The purpose of a CLT is to provide PPS3 compliant affordable housing by using its detailed knowledge of its local community to tailor housing provision to specific household needs and incomes, and to ensure that affordability is maintained over time in ways that continue to meet the needs of that community or that place, with decisions being made locally.

### **Placeshaping**

Although the primary aim of Community Land Trusts is to provide affordable housing, they can also help to create and retain a sustainable and mixed community whilst respond to housing needs. Community Land Trusts have been able to

agree allocation statements and processes with local housing authorities which recognise local needs, including the needs of new households and those wishing to return to an area, and to whom existing housing policies may often give low priority. A Community Land Trusts' role is thus to help create and then maintain a balance in communities and act as "place shaper", in both urban and rural contexts.

The role of Community Land Trusts in working with local authorities in placeshaping activities has been acknowledged by the University of Salford for the Housing Corporation in "*Placeshaping: A Toolkit for Urban Community Land Trusts*" [[http://www.communityfinance.salford.ac.uk/pdf/Urban\\_tools\\_\\_complete.pdf](http://www.communityfinance.salford.ac.uk/pdf/Urban_tools__complete.pdf)]. The principles of placeshaping can apply just as much in smaller rural and market town communities as in urban communities.

Community Land Trusts can have a number of potential roles:

- Urban regeneration situations, such as the succession arrangements for the New Deal for Community programme, within Housing Market Renewal programmes, in enabling the community to share ownership and control of a range of housing and non-housing assets, and the revenues derived from them, in order to retain a mixed and balanced community, as well as managing other community facilities, workspace and green infrastructure;
- The designation of rural and urban settlements, and neighbourhoods under the Sustainable Communities Act where a local body is required to represent the community voice and own assets through which to carry out local placeshaping functions as part of the designated area's plan; and
- Local governance partnerships between local authorities and communities generally when realising the intentions of the Central Local Concordat 2007 in which "Councils...have a responsibility to do all they can... [to promote community wellbeing...] with the presumption that powers are best exercised at the lowest effective and practical level."

Community Land Trusts can play a role alongside similar bodies, like Local Housing Companies, Public Private Partnerships/Joint Ventures, and Local Asset Backed Vehicles, Community Land Trusts provide just one way in which public and private land can be used to secure permanently affordable housing within a holistic mix of social, economic and environmental outcomes for particular places and communities.

### **3. Do you think the scope of the value for money study is right? If not, what else should be considered?**

The RTPI considers there is a need to balance value for money with sustainability and social benefits and the RTPI believes that value for money should not be the pre-eminent or major concern with regard to Community Land Trusts. We recognise that the study and its general approach to simplify and clarify existing rules surrounding the use of public land is a step forward. However, the scope of the study needs to take a more rounded view with an economic appraisal that effectively measures all the economic social and environmental wellbeing costs and benefits of alternative ways of providing affordable housing and the RTPI considers that some of its assumptions have now been overtaken by wider economic events.

The three main aims of the study should be:

- To design a standard methodology for the economic option appraisal of different ways of providing affordable housing and associated policy and evidence based wellbeing outcomes, to include quantifiable monetary, quantifiable non-monetary and unquantifiable non-monetary costs and benefits;
- To review the terms of General Consent 2003 for the disposal of local authority assets at less than best consideration, and associated guidance provided in the RICS Red Book UK Guidance Note 5, on the grounds that there is still considerable confusion about the meaning of the Consent, and that its reliance on the so-called “wellbeing test” needs to be updated to reflect the changes brought about by statute and regulation in relation to spatial planning and statutory placeshaping responsibilities.
- To develop a robust definition of Value for Money for PPS3 compliant affordable housing that specifically includes an assessment of the costs and benefits of preserving affordability in perpetuity in the places in which it was initially provided, and the implication for land price and value.

The RTPI considers that it will be essential to tackle all three strands in the proposed study. If any of the three strands is left out, it will not be possible to arrive at a useful working understanding of Value for Money that will have wide and common currency amongst policymakers and practitioners, and around which further good practice and policy improvements can be developed.

The PPS3 definition of affordability includes social rented and intermediate renting and ownership. There are two key elements of the definition:

- *The Evidence Base* “...affordability must be...determined with regard to local incomes and local house prices”. [Annex C describes how Strategic Housing Land Availability Assessments and Strategic Housing Market Assessments will now collect this information as well as information about availability of land for development and of existing housing at different price levels, both for renting and purchase.]
- *Arrangements for Performance* “...to remain at an affordable price for future eligible households...(or)... for the subsidy to be recycled for alternative affordable housing”

Both of these elements, dating from 2006, now have particular force in delivering wellbeing outcomes in particular places, through Core Strategies, and the statutory “Placeshaping” Guidance 2007, new –style LAAs/MAAs from July 2008, and which the Audit Commission will test in its new Comprehensive Area Assessments from April 2009. These requirements do and will apply to the provision of all affordable housing.

One reason for the growth of Community Land Trusts has been the perception by local communities [and some councils] that this policy has not been sufficiently rigorously applied. They do not see any consistency or much good practice in the setting of levels of affordability in local policies that are specific to the needs of a place, a community, or regeneration project, and that those affordability levels can be retained, relative to subsequent income and housing cost levels. The structure and purpose of Community Land Trusts are fundamentally about achieving those desirable outcomes.

In the current policy context, therefore, we believe it is no longer sound, for instance, to assume that standard affordable housing products such as Homebuy or First Time Buyers Initiative, meet actual local housing needs, and that they remain permanently affordable, in that place, as good practice in spatial planning policy and placeshaping now requires. In particular, staircasing receipts from both Homebuy and FTBI are commonly repatriated to the sponsoring RSL or other housing provider. Whilst the receipts may be used to provide more affordable housing, in the same place, it is widely observed that they are not, and may well be reused in another area or even a different council area altogether, ie they are not certain of being and remaining PPS3 compliant. In either case, it has not yet been demonstrated how they retain the required affordability balance between incomes and house prices over time.

**4. How can we best ensure that the aims of the Community Land Trusts continue to be met while ensuring that lenders have appropriate security and therefore make funding available?**

The RTPI is unable to respond to this question.

**5. Are there other ways to ensure perpetuity of community benefit on homes provided by Community Land Trusts?**

The RTPI considers that the most effective way to ensuring perpetuity of community benefit on homes is for local authorities to take a co-ordinated approach ensuring that Local Strategic Partnerships, Local Development Frameworks, Sustainable Communities Strategies all work with a common focus, namely to aid the Community Land Trusts objectives. This co-ordinated approach is outlined in the CLG good practice guidance 'Planning Together: Local Strategic Partnerships and Spatial Planning' published in 2007, with an updated edition due to be republished early in 2009.

**6. What other potential support is required to develop a viable, well managed and robust Community Land Trust sector?**

The RTPI confirms its willingness to facilitate provision of rural affordable homes to cater for a proven need (for example, where demonstrated through Housing Needs Assessments and Parish Plans). The RTPI recognises that local authorities can do much to assist Community Land Trusts through setting up multidisciplinary teams within the authority to aid the Community Land Trusts objectives, and also by being prepared to pool any available resources (particularly land) with it. Housing Associations are likely to have a considerable pool of expertise and knowledge in this area and could potentially be the single strongest partner in delivering community housing. But it is also necessary for the Government to continue to support and make the case for Community Land Trusts, to ensure that action follows that will vindicate the earlier reports by Goodman and Taylor.

**7. How can/should a sustainable framework of support for Community Land Trusts be delivered?**

The RTPI recommends that to deliver Community Land Trusts:

- **Further planning guidance** would be required to ensure that local authorities adopt specific planning policies aimed at supporting Community Land Trusts, as well as rural exception planning policies in order to allow proven

local needs to be met by developing land which the community agrees could and should be developed for affordable housing (as set out in Matthew Taylor's Review of Affordable Housing).

- **CLG Local Authority Asset Management Guides should be completed** by the Local Authority Finance Unit. These were commissioned through the post-Quirk Review work streams, and represent an important source of new guidance to local authorities and their valuers, inter alia, on the disposal of assets in relation to their wellbeing powers and to community bodies in particular. Although these also are out of date, as with the General Consent 2003, it would be extremely valuable if work on these guides could be revived and aligned with the proposed Value for Money study, and other work in the Department on General Consents for local authorities and the Homes and Communities Agency. The delay in their production has been a significant problem for local authorities as well as some aspiring Community Land Trusts and gives the wrong impression of the Government's ability and commitment to deliver a genuinely enabling framework for councils and communities.

If you require any further assistance, please contact Anna Morecombe, Planning Policy Officer on 0207 929 9466 or email [anna.morecombe@rtpi.org.uk](mailto:anna.morecombe@rtpi.org.uk).

Yours sincerely,



Rynd Smith  
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