

# Interreg



EUROPEAN UNION

## North-West Europe

### SHICC

European Regional Development Fund

## CASE STUDY: London CLT



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### 1- Introduction & context

#### Key information:

Name: London CLT

Locations: London

Geographic area served: Greater London

Establishment: Formed out of community organising efforts of [Citizens UK](#) in 2007

#### Projects:

- 1 inhabited project (23 homes),
- 1 with planning permission (11 homes)
- 5 with written agreements to include CLT on the site (107 homes)
- 7 other active campaigns –no estimate of housing no's yet

Members: 2500 in total, either resident, community or stakeholder membership.

Workforce: 3 FT, 4 PT

### 2- The Problem

#### London needs more genuinely and permanently affordable homes

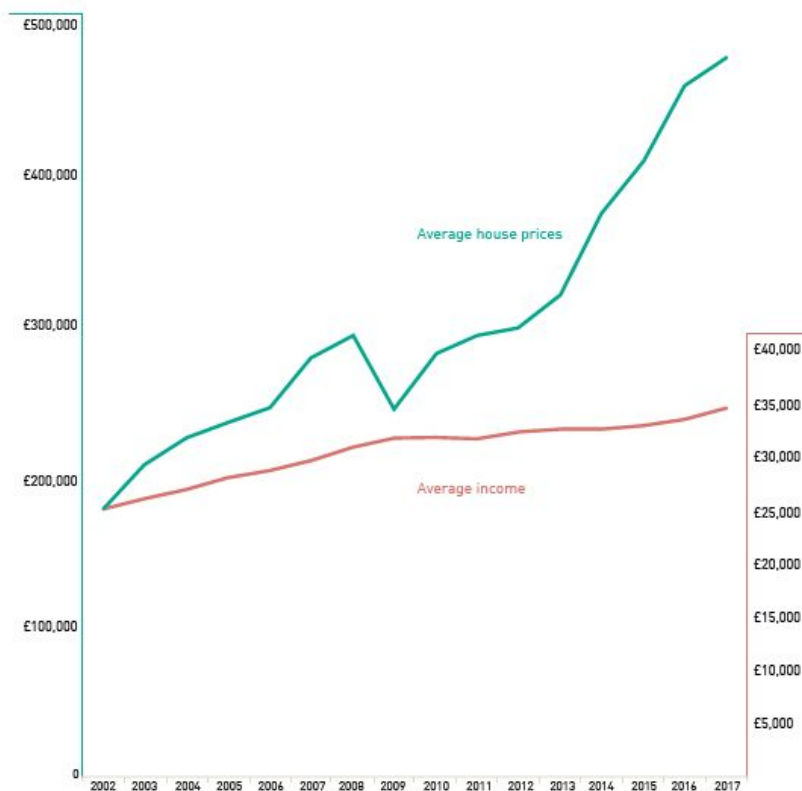
Decent, secure and affordable homes are getting harder to come by in London. Increasing pressure on local authority provisions, ever-increasing house prices, and a badly regulated private rented sector mean that people are having to choose between living in terrible conditions or leaving their friends, family and community for good. The average house price in London is now 13 times the average income! This is why London CLT delivers homes that are both genuinely and permanently affordable. Each home is priced according to local earnings, ensuring they're affordable to the people that call that neighbourhood home. Then, when residents move in, their contract with London CLT includes that all residents have to sell the home to the next resident again at a price according to local earnings. Both principles above will always remain central to the organisation's approach to affordability. As far as London CLT are concerned, there is no doubt that London needs more genuinely and permanently affordable homes.

#### Londoners must lead the process of building those homes

Many local authorities, housing associations and City Hall agree, at least in part, with the premise that more genuinely and permanently affordable homes are needed in London. However, we have consistently experienced less consensus about how those homes should

delivered. A vast majority of housing strategies are top-down, and focus on the final product, or the 'unit'. Focusing on product, rather than process, fails to recognise the importance of local people. It overlooks the importance of social connections, the impact these can have on people's wellbeing, and the expertise local people have about their neighbourhood. By not taking local residents' expertise and relationships seriously, the mainstream approach is in danger of building homes but damaging communities, creating a generation of people who will remember this period as the time that their neighbourhood was taken from them. We are also missing out on a major opportunity to deliver more of the homes our city needs. In Berlin, approximately 15% of housing starts are delivered by community-led housing organisations. In the UK, it's around 0.3%, and in London it's likely to be even less. By failing to engage the citizens of London in a collective effort to deliver the homes we need, we are both damaging existing communities and missing out on the possibility of thousands of extra homes each year.

House prices vs. incomes



Average house price for London taken the Land Registry's UK House Price Index

Average median income for those in full-time employment in London taken from Office for National Statistics Annual Survey of Hours and Earnings, Table B

### 3- THE CLT SOLUTION in LONDON

One of London CLT's unique abilities is to access land through the democratic organising of local people. London CLT works in partnership with Citizens UK to run local campaigns to

persuade local authorities to either transfer land to deliver 100% genuinely and 15 permanently affordable schemes, or include CLT homes as part of the planning obligations on a site. However, getting control over the land and permission to build on it is only the first of many stages. The stages of each project are as follows:

1. Organise people
2. Get control over land
3. Raise the finance
4. Develop a plan
5. Build the project
6. Allocate the homes
7. Create a resident-led management strategy

- **London CLT's Roots are in Community Campaigning:**

A democratic culture, in partnership with Citizens UK London CLT was born out of the community organising efforts of Citizens UK, a national charity that aims to build the capacity of disadvantaged communities across the country to participate in the public life of their neighbourhood. Since setting up London CLT in 2007, Citizens UK has continued to provide financial, strategic and emotional support over the last decade. This partnership plays a key role in helping grow a democratic culture within London CLT. London CLT has developed the opportunities that exist in our pipeline in partnership with Citizens UK. As London CLT grows to meet the opportunity to deliver our existing pipeline, the two organisations will continue to work in partnership on each This partnership allows London CLT to work with existing community groups, many of which are already know each other, to help them build their capacity to deliver the affordable homes their communities need, and impact their wider neighbourhood. It also ensures London CLT is part of a people-led approach, with other organisations across London, influencing those with the power to help us deliver on our mission.

## 4 – The homes



Residents moved in



Planning submitted



Agreement on site



Campaign



## “St Clements”: London CLT’s first completed project



- St Clements is London’s first CLT site. Selected by a unanimous vote of our members in 2009, the Grade 2 listed, ex-psychiatric hospital became the focus of our work. After a campaign by Citizens UK and London CLT members, the Mayor of London and the Greater London Authority, who owned St. Clement’s, agreed to explore possibilities for a CLT on the site.
- We made a bid for the site in the early 2010s as part of a competitive consortium led by Igloo Regeneration.
- This bid included a widespread community-led design process, leading to us setting up a ‘meanwhile use’ group to look at what could happen on the site before the homes were built, ensuring the impact the CLT had extended beyond the 23 families that lived in the CLT homes.
- Unfortunately, our consortium lost the bid.
- However, such was the support for our involvement from across London, the successful developer – Galliford Try – and ourselves were asked by the GLA to see if we could work together. After a number of successful exploratory conversations, we were sure we could and so the St Clements partnership was formed.
- Once formed we doubled our efforts with another community-led design process with John Thompson & Partners to develop local people’s ideas for the site.
- We were also able to continue our work through the ‘meanwhile use’ group, which became Shuffle– a lively festival that looked to use culture to bring people together

and enhance the public space. Shuffle has since spun off into a successful organisation in its own right and continues to this day in the Tower Hamlets Cemetery Park, next door.

**- Communal spaces**

**St Clements - John Denham Building**



As the members of London CLT decide how the homes shall be built and allocated, so too do they help determine how common spaces will be used on the building sites. At St Clements, the John Denham building has been earmarked as a community space on the site and so far feedback has been gathered from around 300 members, which will be discussed to decide how the space should be used.

**3 – Legal & financial framework**

London Community Land Trust (London CLT) is a trading style of London Citizens’ CLT Ltd which is a registered society number 30238R under the Co-operative and Community Benefit Societies Act 2014.

Community benefit societies are a specific legal structure which a CLT can operate under. They allow for the company to earn profit, however any profit earned should be reinvested in the community.

CLTs are not a legal form in themselves (like a Company). However, CLTs are defined in law so there are certain things that a CLT must be and do:

- A CLT must be set up to benefit a defined community;
- A CLT must be not-for-private-profit. This means that they can, and should, make a surplus as a community business, but that surplus must be used to benefit the community;
- Local people living and working in the community must have the opportunity to join the CLT as members;
- Those members control the CLT (usually through a board being elected from the membership).

(Ref: <http://www.communitylandtrusts.org.uk/what-is-a-clt/about-clts> )

## 4 – Affordability mechanism

### - Campaigning for land

Currently London CLT operates on a model of being gifted the land in question. Recent sites have been gifted by the Transport for London Authority and other sites are being campaigned for, normally owned by government bodies – e.g. local councils. It is also possible for the CLT to acquire land through a community share issue, however given the high land prices in London, it would be near impossible to buy land at free market rates and thus the importance of community campaigning to secure sites!

### - Keeping the homes affordable

Following acquiring land and developing the site, CLT homes are priced according to local earnings, ensuring that people are no longer priced out of the neighbourhood they grew up in. ‘Local earnings’ are taken as the average of median incomes using data published by the Office for National Statistics in November each year.

At our first site St Clements, this means that a 1 bed property will be £130,000, a 2 bed will be £182,000 and a 3 bed will be £235,000, approximately one third of the open market value of the homes.

CLT homes are about providing people with a home, not just an asset. The contract signed upon moving in makes sure that all residents have to sell the home to the next household again at a price according to local earnings. This means the homes can be sold on again at a similarly affordable level every time a new family moves in.

### - Type of targeted population

Community Land Trusts (CLTs) provide genuinely and permanently affordable homes, so that people are no longer priced out of the neighbourhoods they call home. In London CLT this means these homes are targeted at people who have the financial means to not be considered for social housing or housing benefit, but lack the financial means to either rent or buy housing on the free market and generally earn around the median income of the area.

### - Allocation criteria

London CLT homes allocation policy has been developed in cooperation with its members.



For each project there will be specific allocation criteria and considerations, with the overall allocation policy being based on a set of 5 guiding principles: fairness, transparency, simplicity, legality and scalability.

For the St Clements site the five eligibility criteria determined (weighted according to priority) were:

- Connection – Minimum of five years’ connection to Tower Hamlets
- Involvement – Belong to and participate in the local community
- Finance – Priced out of the open housing market and able to afford a ELCLT and London CLT home
- Housing Need – More suitable (than current) accommodation required
- Supportive of the ELCLT and London CLT)

## 5 – Governance

London CLT is a democratic membership organisation, and anyone in who lives or works in London can become a member of the organisation for just £1. The organisation operates based on a one member one vote system, so every member has the right to vote on decisions made at the AGM each year. At the AGM, the board is elected by the members, with one third of the Board required to retire each year. This means, anyone in London can join, stand to be elected, and play a leading role in the governance of the organisation. London CLT’s board is made up of one third each of London CLT residents, local people in the community surrounding our projects and independents and experts to ensure the board has the capacity to deliver on our mission.

This tripartite structure is a tried and tested governance approach that ensures that there is a balance of representation between those that own a CLT home, those that are involved for the wider community’s benefit and those that can provide the expertise we need. It also creates pressure on us to ensure that we continue to develop members so that there is always a pool of members who are capable of standing for the Board. The tripartite structure, the open democratic membership and the one member one vote principles are all key structural mechanisms for ensuring the organisation is always led by people that believe in the mission of the organisation.

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- **How can we put the “C” into London CLT?**

London CLT works hard to ensure that both the legal requirements of being a CLT as well as our shared mission to help communities create permanently affordable homes is realised. From establishing and fostering community leaders who have shared values with the CLT, to being diligent in ensuring community engagement is as easy and welcoming as possible.

At the broadest level there is the community of all members of the London CLT with whom we can celebrate wins together, grieve together, and share stories to help engage more people in the mission. The next level is the campaigning community, those who are actively engaged in fighting for land in London. We work closely with these groups all the way from strategizing how to get land through to ensuring an engaged and community driven built response.

Finally there is the resident community around a site. A well selected and engaged resident management board is key to ensuring the mission of the organisation continues and that a community continues after the win of finally getting a home. The broader community is fostered through the campaign leaders, working together to help fight for land and build more homes.