

Practical Guide to Partnerships

**Between Community Led Housing
Organisations & Housing Associations**

Community Led Homes, December 2020

**Endorsed by HACT, the National Housing Federation,
PlaceShapers and the Rural Housing Alliance.**

Introduction

Over the past ten years, community led housing ('CLH') organisations and housing associations have worked together to form successful partnerships that have produced and are producing high quality, permanently affordable, community led housing.

This guide provides detailed case studies and documents from these successful partnerships. It is not intended as a "best practice" document, but rather as a compilation of different types of partnership models from which to learn, expand, and innovate.

Purpose of the guide

This guide is intended for both community led housing groups and housing associations that are considering partnering with one another to develop permanently affordable housing.

It is important to note that this guide only describes one way in which housing associations can engage with community led housing, namely by partnering with an existing community led housing organisation. Housing associations can also initiate community led housing projects, working directly with current and future residents to form a group and take control of the development, management and/or governance of the project and homes. Case Study 9 of Loftus Garden Village is an example of this approach.

This guide contains general advice. It is critical that both community led housing organisations and housing associations retain their own specialized professionals, including lawyers and other professionals, to give them bespoke up-to-date advice and guidance.

This guide has been endorsed by:



What are housing associations?

Housing associations are non-profit organisations with a primary purpose of providing good quality affordable housing for low-income households.

Housing associations are non-profit providers of affordable rent and low-cost homeownership homes. Some housing associations specialise in providing housing for specific groups (such as older people or individuals with disabilities) or working in specific areas (such as rural villages or urban estates). Some associations are very large and operate in many areas; however, most associations are much smaller and operate at regional or local levels. Many housing associations provide a wide range of housing and related services, and many engage the local community effectively when developing new homes.

Housing associations rely on a mixture of government grant money and private loans to fund their work. While they are non-profit organisations, they still need to cover their expenses each year and put any surpluses into providing additional housing and services. All housing providers seeking grant money for sub-market rental homes are required to register with and be regulated by the Regulator of Social Housing. As a result, housing associations are often referred to as Registered Providers.

Every housing association is unique. In selecting a housing association to ask whether they might want to partner with a community led housing group, it is important to look at who they serve, their geographic reach and focus and whether they specialise in working with certain groups of individuals.

**There are approximately
1,500 housing associations
in England**

What are community led housing organisations?

Community led housing is a process in which local people play a central role in meeting the housing needs of their local community.

Community is typically defined geographically but can also be a community of shared interests and needs, such as a group of older residents or a group of university students.

Community led housing includes new build, renovation of existing buildings, and regeneration; it includes community land trusts, co-operative housing, and cohousing. There are many shared features of each of these approaches to community led housing, and also some important differences.

Community land trusts are organisations run by local people to develop and manage permanently affordable rental and ownership homes and other community assets with an emphasis on the homes and assets remaining in the community's control for the long-term.

Co-operative housing is housing that is owned and managed by the residents themselves as a group, with an emphasis on the residents, as members of the co-operative, making decisions about their homes in an open, democratic manner.

Cohousing involves a group of people explicitly agreeing to live together as a community, sharing physical space, appliances, and meals; volunteering on site together to build community; and engaging in self-governance.

While each community led housing scheme needs to be responsive to the particular needs and resources in its local community, the main national community led housing bodies, the Government and many local authorities have adopted the following definition of community led housing:

- **Meaningful community engagement and consent occurs throughout the development process. The community does not necessarily have to initiate and manage the process, or build the homes themselves, though some may do;**
- **The local community group or organisation owns, manages or stewards the homes and in a manner of their choosing, and this may be done through a mutually supported arrangement with a Registered Provider that owns the freehold or leasehold for the property; and**
- **The benefits to the local area and or/specified community are clearly defined and legally protected in perpetuity.**

When approaching a community led housing organisation, it is important to learn about its organisation and decision-making structure, whether the group is working with technical advisers, the types of tenures the group seeks to develop, and the group's collective understanding of the need for the scheme to be financially sustainable.

CLH organisations can and do develop housing schemes by themselves, bringing in housing professionals to help with project management, construction, etc., as needed. This stand-alone approach gives the CLH organisation maximum control and also maximum responsibility. Alternatively, many CLH organisations partner with third parties, including housing associations; the nature of these partnerships can vary as the case studies in this guide illustrate.

Each scheme needs to be responsive to the particular needs and resources in its local community

Why do CLH groups partner with housing associations?

- Housing associations have significant development and management expertise.
- Housing associations have access to affordable finance, including grant money and loans with more competitive rates than a CLH organisation can access. Because housing associations have significant assets (homes) on their books, they are considered less risky borrowers and can access loans at lower interest rates.
- Housing associations can share or shoulder the financial risk of housing development because they have other assets in their portfolios.
- Housing associations bring significant, valuable project management experience.
- Housing associations are already Registered Providers, which is a requirement for accessing some capital grant money to provide affordable rent and low cost homeownership homes. CLH groups can apply to become Registered Providers themselves, but the process can take time and may not be something the CLH group is interested in doing.
- Housing associations have existing relationships with other important partners, including housing benefits officers, social service providers, etc.
- Housing associations can help train and build capacity within CLH organisations.
- CLH organisations may not want to have to collect rent from their own members or manage lettings within their own community; they may decide it's easier to outsource some or all

Why do housing associations partner with CLH groups?

- Partnering with a CLH group may help meet a housing association's ethical commitments and purpose.
- CLH groups may be able to access land and empty buildings that would not be made available to a housing association; for example, local landowners who prefer to give their land to a local CLH organisation.
- CLH groups can access grant funding reserved for CLH schemes.
- CLH groups can help with community engagement and win necessary community support for schemes, including overcoming NIMBYISM.
- CLH groups may be able to measure and understand the housing needs of the local community better than a housing association that is based elsewhere.
- The CLH group can play a critical role in ensuring permanent affordability of ownership homes by enforcing covenants that restrict resale prices.
- Working together, housing associations and CLH groups can provide evidence and insights that can help planning officers gain an understanding of what the partnership is seeking to achieve; the partnership can then work with planning officers to design a viable scheme ready for submission as a planning application.
- The CLH group can sometimes accomplish planning permission more easily than a housing association, and in some cases have persuaded planning committees to grant permission against officer advice.
- Good publicity for the housing association and valuable networking for housing association staff with local community and local and national government.
- Housing association staff may get personal job satisfaction working in partnership with community groups.
- Engenders good will with housing associations' other tenants.
- A way for a housing association to develop rural exception sites with strong community support and involvement.
- The voids and management costs may be lower on community led housing schemes because of strong community involvement.

Summary chart of partnership types:

Case Study No.	Community Led Housing Groups	Housing Associations	Partnership Type	Status of Long-term Ownership
1	Princes Park Housing Co-operative	North West Housing Services, Your Housing Group and Sanctuary Housing	Acquisition of hard to let homes from HA by CLH group at discounted price	CLH group Owns Freehold and Leasehold
2	North Ormesby CLT	Accent Housing, Thirteen Group	Acquisition of hard to let homes from one HA by CLH group at discounted price; Short-term lease with another HA to refurbish the homes	CLH group Owns Freehold and Leasehold long-term
3	Numerous local CLTs, with help from Middlemarch Associates working under contract with Wessex Community Assets	Aster, Yarlington, Teign Housing, Stonewater, Places for People, United Communities, White Horse, Alliance Homes, Hastoe	CLH group brings land to the partnership; HA does development and long-term management and maintenance	CLH group Owns Freehold; HA has long-term lease
4	Stocksfield Community Association's Trading Arm	Isos Housing, now Karbon Homes	CLH group brings land to the partnership; HA does development and long-term management and maintenance	CLH group Owns Freehold; HA has long-term lease
5	The Threshold Centre	East Dorset Housing Association (later Synergy, and now Aster)	CLH group brings land to the partnership; HA helps with planning and does development and long-term management and maintenance	CLH group Owns Freehold; HA has long-term lease
6	Bridport Cohousing	Bournemouth Churches Housing Association	CLH group brings land to the partnership; HA does development and long-term management and maintenance	CLH group Owns Freehold; HA has long-term lease
7	Distington Big Local	Housing 21	CLH group brings land to the partnership and takes the property through planning consent; HA does development and long-term management and maintenance	CLH group Owns Freehold; HA has long-term lease
8	Redditch Co-operative Homes	Accord Housing Association	HA does development; CLH group owns homes and controls ongoing management and maintenance	CLH group Owns Freehold and Leasehold
9	Loftus Village Association Housing Co-operative	Charter Housing, with Seren Living, both now part of the Pobl Group	CLH group does most of the ongoing management and maintenance under contract from HA; HA does some management	HA owns Freehold and remaining leasehold on Shared Ownership homes, until 100% staircase.
10	Buckland Newton Community Property Trust	Magna Housing Association	CLH group develops the homes; HA is brought in for management; CLH group does ongoing maintenance	CLH group Owns Freehold and Leasehold
11	St. Minver CLT, Cornwall CLT	Cornwall Rural Housing Association	HA develops and sells the homes; CLH group enforces the resale covenants and holds a pre-emptive right to repurchase and a right to nominate future homeowners	Homes are sold to homeowners using a discounted market value sale resale covenant

Case Study 1

Partnerships During Acquisition of Land and Buildings Only:

Princes Park Housing Co-operative, North West Housing Services, Your Housing Group and Sanctuary Housing (social rent co-operative homes).

Background of the CLH group:

Princes Park Housing Co-operative is a non-profit, non-mutual housing co-operative in Liverpool that was established in 1973 and that today owns 99 social rent co-operative homes in the city's Princes Park neighbourhood. Each tenant is given the opportunity to purchase a non-interest-bearing share in the co-operative and become a member; in turn, each member of the co-operative has a vote on how the co-operative is run. The homes consist of one, two, and three-bedroom, self-contained flats and some studio flats, with residents sharing hallways, landings, and gardens. The co-operative contracts with North West Housing Services, a member owned, secondary co-operative based in Liverpool, for housing management, governance, rent accounting, routine maintenance, property investment and financial services.

Background of the Housing Association:

Your Housing Group is a large regional housing association with over 28,000 homes across the North West, Yorkshire, and the Midlands. Sanctuary is a large national housing association with over 50 years of experience as a social landlord and over 69,000 homes across England. The CLH group notes the importance of the two housing associations being willing to enter into fair negotiations with the co-operative about the sale of the empty buildings. North West Housing Services is also a housing association and was involved here as the secondary co-operative that provides services to the CLH group and that was willing to help broker the sales negotiations with Your Housing Group and Sanctuary.

The nature of the partnership:

In 2016, Princes Park Housing Co-operative approached Northwest Housing Services to enquire about two empty properties down the street from one of their co-op buildings.

The chair of the co-operative had noticed the buildings sitting empty for 3 or 4 years and asked North West Housing Services to investigate. The former Chief Executive of North West Housing Services reached out to Your Housing Group, a large housing association in Merseyside, that owned the properties. Your Housing Group didn't have a strong presence in the Toxteth neighborhood where the buildings are located and was having a hard time letting the properties which were sitting empty and not being maintained. Your Housing Group was willing to have a conversation about selling the properties, and an agreement was reached for Princes Park Housing Co-operative to purchase the two buildings for £40,000 each. The co-operative was able to cover the purchase price with funds in its reserves. Each building needed substantial repairs to convert them into six, high quality flats. Princes Park Housing Co-operative got a loan from its bank and a 3% loan for £125,000 from North West Housing Service's loan fund. It took nine months to repair the homes, and they are now high quality, affordable homes to six households previously on the co-operative's waiting list.

Building on the success with the building purchased from Your Housing Group, Princes Park Housing Co-operative asked North West Housing Services to approach Sanctuary housing association about a 9-bedroom building that was sitting empty in the same neighbourhood. Sanctuary, a national housing association, had inherited the building from a local housing association called Cosmopolitan, but had been unable to let the flats because it didn't have a presence in Merseyside. Here again, it turned out Sanctuary was willing to enter into negotiations with Princes Park Housing Co-operative, and the building was purchased, again with funds from the co-operative's own reserves. The co-operative took out another low-interest loan from North West Housing Services in addition to a bank loan to fund the rehabilitation work to turn the homes into 9, high quality flats to be owned and managed by the co-operative and let at social rent.



Case Study 2

Partnerships During Acquisition of Land and Buildings and Refurbishment:

North Ormesby CLT, Accent Housing, and Thirteen Group (affordable rent).

Background of the CLH group:

In 2013, North Ormesby was awarded £1 million of Big Lottery funding, and the local community formed a resident-led partnership (‘the Big Local Partnership’) to discuss how best to spend the money over the next ten years. The Big Local Partnership decided to focus on the need for high quality affordable homes for local residents and was able to work with the already established North Ormesby Neighbourhood Development Trust (‘NONDeT’). NONDeT was set up in 1998, had delivered a range of important community resources, but not yet housing. It was chosen to handle the Big Lottery funds and employ staff.

When the Big Local Partnership learned of an opportunity to purchase empty properties from Accent Housing, the decision was made to set up North Ormesby CLT, as a wholly owned subsidiary of NONDeT, to own and manage the homes.

Background of the Housing Association:

Accent Housing is a large national housing association formed in 1966 that manages over 20,000 homes in the North, South and East of England. Accent manages approximately 70 properties in North Ormesby.

Thirteen Group is a large regional housing association that resulted from a merger in 2017 of five different housing associations. Today, Thirteen Group manages 34,000 homes across Teesside and other areas of the North East, including North Yorkshire, County Durham, and Tyne and Wear.

The nature of the partnership:

Accent Housing had six terraced properties in North Ormesby that had stood empty for over six months. After putting them up for sale and failing to find a buyer, the association arranged to sell them to the newly formed CLT for £13,000 each, which was approximately half their market value. It took time to negotiate the sales price. Accent Housing had to make sure there was no outstanding debt on the properties and had to obtain permission from Homes England to sell the properties at below market value. The Big Local Partnership made £150,000 of its Lottery funding available to set up the CLT and purchase the homes.

In addition to the total purchase price of £78,000 for the six properties, an additional £180,000 (or £30,000 per property) was needed to bring the empty homes up to the Decent Homes standard. The CLT arranged for Thirteen Group to manage the refurbishment and cover most of the capital costs. The association used funding from Homes England’s Empty Homes programme to cover £24,000 per home in refurbishment costs, with the remaining £6,000 per home paid by the Big Local Partnership.

The six refurbished homes were rented out by the CLT at no more than 80% of market rent, with the CLT retaining all the rental income and being responsible for all lettings, management, and maintenance.

North Ormesby CLT and Thirteen Group have put a formal written agreement in place for future refurbishment projects along the same lines of this first partnership.

The document linked in this case study provides a much more detailed account of these partnerships.

Documents:

Detailed written description of the partnership model.

[Click here.](#)

Case Study 3

Partnerships During Development and Management:

Freehold/Leasehold Model pioneered in the South West of England by Middlemarch Associates working under contract with Wessex Community Assets.

Background of the CLH group:

Middlemarch Associates LLP provides technical advice and support to CLT developments, mostly under contract with Wessex Community Assets in the South West of England but also in its own name. From 2010 to 2020, support for more than 50 freehold/leasehold partnerships has resulted in the completion of nearly 200 affordable homes. There are almost twice as many partnership schemes, and homes, currently in the pipeline.

Background of the Housing Association:

The housing associations that have entered into partnerships under this model include Aster, Yarlinton, Teign Housing, Stonewater, Places for People, United Communities, White Horse, Alliance Homes, and Hastoe. These housing associations range in size from small housing associations like White Horse with approximately 350 homes to large housing associations like Places for People with almost 200,000 homes. Some of these housing associations are using the model to do repeat partnerships with CLTs.

Documents:

Detailed written description of the partnership model.

[Click here.](#)

The nature of the partnership:

The CLT plays a lead role in finding the site; agreeing the number, type, tenure, and design of the homes; helping to define the allocations policy; advocating for rents to be as low as possible; ensuring that the homes remain affordable in perpetuity; including environmental sustainability in the scheme; and securing a reasonable financial return to the CLT.

The housing association develops and manages the homes; shoulders the financial risk; is the Registered Provider as required for being a landlord of sub-market rented homes; bears the legal responsibility for lettings; and decides on the selection of residents in line with the allocations policy.

The CLT retains the freehold and enters into a 125-year lease with the housing association to develop and manage the homes. The lease contains a buy-back clause for the CLT; a weekly ground rent payment from the housing association to the CLT; and a clause preventing the residents from exercising the voluntary Right to Buy, as that would defeat the goal of creating permanently affordable homes.

Experienced CLH advisers like Middlemarch play a critical role in brokering these partnerships, and benefit from experience working in both housing associations and with CLH organisations.

The document linked in this case study provides a much more detailed account of these partnerships.



Case Study 4

Partnerships During Development and Management:

Stocksfield Community Association's Trading Arm and Isos Housing, now Karbon Homes (affordable rent CLT homes).

Background of the CLH group:

Stocksfield Community Association's Trading Arm ('SCATA') was established in 2012 as a non-profit wholly owned subsidiary of the Stocksfield Community Association. SCATA was created to enable the Community Association to develop much needed affordable rental housing in Stocksfield, a relatively high value commuter village 15 miles outside of Newcastle Upon Tyne. SCATA built 7 affordable rental homes in partnership with a major North East housing association, providing the first affordable rental homes in Stocksfield for twenty five years. The homes were built on two hard to develop brownfield sites, one owned by the local Parish Council and the other by a dormant charitable trust.

Background of the Housing Association:

Isos Housing, now Karbon Homes, was a North East-based housing association that had 15,000 homes and was growing quickly. Isos Homes brought two main advantages to the table: it already owned 45 former council homes in Stocksfield, and it expressed a willingness to work on an equal basis with SCATA.

Based on the success of this first partnership, Karbon Homes has gone on to partner with other community led housing organisations in the North East.

The nature of the partnership:

SCATA played the lead role on the drawn out negotiations to purchase the two sites and obtain planning permission, including an extensive community engagement campaign. Isos led on the design and development and on raising the funds, with SCATA playing an important role in securing development funding from the Homes and Communities Agency.

SCATA holds the freehold on the homes and has a 125-year lease with Isos for management and maintenance of the homes, with an ongoing role for SCATA. Specifically, SCATA has the right to inspect the homes on a quarterly basis, receives regular performance reports, and sits on a joint panel to consider eviction appeals.

The document linked in this case study provides a much more detailed account of this partnership.

Documents:

SCATA CLT Case Study. [Click here.](#)

Heads of Terms Partnership Agreement, SCATA. [Click here.](#)

Section 106 Agreement and Local Lettings Plan, SCATA. [Click here.](#)



Case Study 5

Partnerships During Development and Management:

The Threshold Centre and East Dorset Housing Association (later Synergy, and now Aster) (market ownership, shared ownership, and social rent cohousing homes).

Background of the CLH group:

The Threshold Centre is the first cohousing scheme in the UK to be created in partnership with a housing association. The Threshold Centre's Cole Street Farm development is 14 units of cohousing, half of which are owner-occupied market rate homes and half of which are affordable homes, including 1 shared ownership home and 6 social rent homes. There are also 3 rooms to rent in the farmhouse. Having a housing association partner enabled the cohousing group to include affordable housing as well as market rent housing.

The shared ownership households and the social rent households follow the same cohousing selection process as the market rent owners, including spending two weekends at the Cole Street Farm to ensure they understand how the community works and are willing to participate fully in the community. All residents of the Cole Street Farm are required to volunteer 4 hours per week on site, join a carpooling scheme and limit themselves to one car per household, and pay allocated costs for the shared facilities. These obligations are memorialised in the leases and tenancy agreements that households sign.

Background of the Housing Association:

East Dorset Housing Association ('EDHA') was a very small local housing association that was interested in what the Threshold Centre was trying to develop and wanted to help them succeed. At the start of the partnership, EDHA assigned a member of its staff to meet with the cohousing group which made for a strong relationship. Over time, the staff member moved on; the housing association became much bigger as it merged with first Synergy and then Aster; and the 7 units of affordable housing at Cole Farm became a much smaller part of the housing association's overall operations. Aster owns over 30,000 homes and provides services to over 90,000 customers in South West England. The cohousing group has put a lot of effort into successfully re-establishing a good working relationship with current housing association staff including setting up regular meetings and explaining how cohousing works.

The nature of the partnership:

The cohousing group initially tried to develop the scheme by itself but was denied planning permission on the grounds that they needed to have more social housing on site and should partner with a housing association. The planning commission also expressed concern about whether cohousing would appeal to individuals on the local housing register. The cohousing group approached three local housing associations and partnered with EDHA who showed both interest in the project and knowledge of the benefits of cohousing. The first thing the new partnership did was send a mailing to all the individuals on the local housing register explaining the benefits and responsibilities of cohousing and inviting individuals to attend an open afternoon. The outreach was successful: 30 households attended, and 24 households indicated a strong interest in joining the cohousing community.

The non-profit Threshold Community Interest Company owns the freehold of the entire site and has a lease with Aster for the 7 affordable homes, including the 6 social rent homes and the 1 shared ownership home. The shorthold tenancy agreements between Aster and the 6 social rent households and the sub-lease between Aster and the 1 shared ownership household each include clauses that deny the occupants the right to buy the homes.

The housing association and the cohousing group have agreed an allocations process whereby applicants for the social rent homes, who are required to be on the local council housing register, must apply to the cohousing group first and go through the cohousing group's joining process. The cohousing group selects the person they feel is most suitable for the community and then passes that person's name to the housing association's lettings team for the financial and other background checks. It is critical to the viability of the cohousing community that the residents be diverse in terms of age, gender, and skills. There is then a joint signing process where the new social rent tenant signs both the shorthold tenancy agreement with the housing association and the community rules and regulations with the cohousing group.

Case Study 6

Partnerships During Development and Management:

Cohousing community including social rent, discounted market value affordable sales, and shared ownership affordable sales.

Background of the CLH group:

Bridport Cohousing CLT ('Bridport Cohousing') in Dorset is a cohousing group that is in the process of developing a 53-home scheme with 26 affordable rental homes and 27 affordable home sales in partnership with a housing association. Renters and owners alike must agree to be members of Bridport Cohousing in order to live on the site. The homes will be a mix of one-bedroom flats and two-, three-, and four-bedroom houses.

Bridport Cohousing holds the freehold of the entire site and has entered into a 999-year lease with Bournemouth Churches Housing Association ('BCHA') for the leasehold of the affordable rental homes and the shared ownership homes. BCHA will rent the 26 affordable rental homes at social rents to residents who will be full members of the cohousing group. 14 of the 27 affordable sales homes will be sold using a discounted market value sale with the initial sales price set at 80% of open market value and with subsequent resale prices also capped at a maximum of 80% of open market value. These 14 home sales will be managed by Bridport Cohousing, and there is no grant money associated with those homes. Bridport Cohousing will enforce the resale and occupancy restrictions and also retains both a right to repurchase the homes at resale and a right to nominate subsequent purchasers for the homes. The 13 remaining affordable sales homes will be sold by BCHA as shared ownership homes with homeowners able to purchase between 25% and 75% of the open market value of the home and with staircasing capped at a maximum of 80%. BCHA will hold onto the leasehold for the remaining 20% of these homes and will use grant money for these homes.

The land for the scheme was sold to Bridport Cohousing at a below-market price by an owner who supported the group's social and community goals. The partnership between Bridport Cohousing and BCHA was predicated on a Heads of Terms subject to which each partner agreed and confirmed that it had its public and private funds lined up. Because the grant money from Homes England wasn't enough to cover the full costs of the works, the project needed an infrastructure grant to cover 10% of the total project costs. Dorset Council applied for and received that infrastructure grant from Homes England and then passed the grant money on to the partnership at start on site via an Infrastructure Agreement.

All of the homes on site will be developed to the AECB Silver standard with consequent energy cost savings for residents. The site will feature a large central green space and a central common house with an event space, a kitchen, smaller community and office spaces, storage for shared items such as gardening equipment, and

a shared laundry. There will also be two small guest flats on site that residents will share for their visitors, and there are plans for a car club and e-bike programme.

Six of the rental homes will be set aside for staff of the neighbouring Bridport Community Hospital, an agreement that was reached during negotiations over access to the land. The local authority will have nomination rights for the sub-market rent homes and has agreed to include a box on the social housing registry for registrants to indicate their willingness to live in a cohousing scheme as a recognition that social tenants must also commit to be part of the cohousing community.

Background of the Housing Association:

Bournemouth Churches Housing Association ('BCHA') is a specialist housing provider in the South of England with over 1,000 homes. BCHA was formed 50 years ago inspired by Cathy Come Home. Both the prior and the current CEO of BCHA are committed to providing supportive services as well as homes and to working with more challenging tenants, including homeless individuals. This ethical commitment from BCHA requires balancing the commercial and the social side of being a housing provider. Both the Board of Directors and the staff of BCHA are willing to take on risk and see that as part of their ethical responsibility to provide housing to families in need.

The nature of the partnership:

Bridport Cohousing successfully obtained a below market purchase price for the land; persevered over many years to obtain planning permission for the scheme; will hold onto the freehold and has entered into a 999-year lease with BCHA; and will manage the 14 discounted market value sale homes and enforce the resale restrictions.

Bournemouth Churches Housing Association will borrow the necessary funds and build out all the shared ownership homes, all the sub-market rent homes, and half of the common house; will take 18 months to build out the scheme; will manage all the sub-market rent homes, and will own and manage the 14 shared ownership homes with the lower entry point of 25%.

Case Study 7

Partnerships During Development and Management:

Distington Big Local, Housing 21 (social rent and dementia friendly shared ownership).

Background of the CLH group:

Distington, in Cumbria, is one of 150 communities across England that received a £1 million award from Local Trust in 2012 to spend locally over the next ten years on community improvement projects. The resident-led Distington Big Local partnership was formed to consider how to spend the funds. Initially, developing housing was seen as too big a task for the partnership. However, when a 1.7 acre site became available in the heart of the village in 2016, the partnership decided to bid for it and secured the site for £80,000. A village survey showed there was a strong need for housing for older people, since two local residential care homes had recently closed, and the partnership also liked the idea of a community asset that could bring in recurring revenue.

Background of the Housing Association:

Housing 21 is a large national housing association that specialises in providing housing for older people, including retirement and extra care housing.

The nature of the partnership:

Distington Big Local decided they needed to find a housing association partner to shoulder the financial risks of development, to bring the skills and experience to manage such a big scheme, and to be the Registered Provider for the social rented housing. However, the group was determined to hold onto the design of the project so they decided that they would get the scheme up to planning approval before bringing in a housing association partner. The group contributed £135,000 of its Big Local money and raised £195,000 of grants, including £157,500 from the Community Housing Fund and smaller grants from the Copeland Council and Copeland Community Fund, to cover the costs of hiring all the technical professionals they needed to get the scheme designed and costed.

Housing 21 was picked as the best partner because of its focus on housing older people and because it was looking for national pilot projects that involved working in partnership with local communities.

Distington Big Local will retain the freehold of the land as a community asset and enter into a long-term lease with Housing 21. The lease may include a ground rent of up to £200 per unit per year, although this is still under discussion. If agreed, this would provide the community with a regular income that could be used to support other community projects beyond the life of Big Local, which comes to an end in 2023.

Distington Big Local will be involved in drawing up the Local Lettings scheme to give priority to local residents. Housing 21 will develop the homes and grounds and will handle lettings, management, and maintenance.

The final scheme will feature 54 homes: 45 one and two-bedroom apartments for social rent and 9 two-bedroom dementia friendly bungalows, some of them for shared ownership.

The document linked to this case study provides a much more detailed account of this partnership.

Documents:

Detailed written description of the partnership model.

[Click here.](#)

Case Study 8

Partnership for Development Only:

Redditch Co-operative Homes, a division of Accord Housing Association (social and affordable rental co-operative homes and shared ownership).

Background of the CLH group:

Redditch Co-operative Homes is a secondary housing co-operative that provides management services to five primary housing co-operatives in the Redditch area. These five housing co-operatives collectively own and manage nearly 300 homes that meet a range of household needs from young single people to families to older retired people. Redditch Co-operative Homes was established back in 1998 by Accord as a way for Redditch Borough Council to ease its housing shortage through the development of locally based, community led housing.

Background of the Housing Association:

Accord Housing Association is one of the largest housing and social care providers in the Midlands. It manages 13,000 homes and provides housing and social care services to over 80,000 people across the Midlands and beyond. As of 2018, Redditch Co-operative Homes is a division of Accord Housing Association.

The nature of the partnership:

Accord's role is to find the building sites and build the homes. During the build stage, individuals from the local authority's housing register are identified as prospective tenants and given co-operative training. To qualify to be members of the co-operative and live in the homes, individuals must be on the local authority's housing register and demonstrate housing need and must also successfully complete a co-operability interview with current co-operative tenants. In addition to the co-operative training, the future co-operative members are also given the opportunity to select some of the features of their future homes. Once completed, most of the co-operative homes are incorporated into a 7-year lease between Accord and the housing co-operative, with the co-operative responsible for managing the homes. The housing co-operative contracts with Redditch Co-operative Homes for some of this work. For one of its co-operative developments, Accord helped the residents set up a Tenant Management Organisation which has been involved from the start of development and will manage the homes.

Accord is also known for its innovative build process. In 2011, after working with a Norwegian company named Hedhelm, Accord started its own charitable company, LoCalHomes, which produces open and closed-panel properties in an off-site factory and then assembles the homes on site. The finished homes are sustainable, environmentally conscious, low carbon housing solutions and can be adapted for tenants of all ages and abilities.

The most recent new development completed by the partnership is Pioneer Housing Co-operative which was completed in 2016 and features 1 bungalow, 5 houses, and 24 flats. The partnership has several additional sites underway that will be cooperatively managed, including a 19-unit town centre regeneration project that will feature 12 apartments that will be virtually plastic free.

Case Study 9

Partnership for Management Only:

Loftus Village Association Housing Co-operative and Seren Group, now Pobl Group (shared ownership co-operative homes).

Background of the CLH group:

Loftus Village Association Housing Co-operative ('LVA co-operative') is a shared ownership co-operative in Newport, Wales formed in 2016 and comprised of 19 homes. The homes are one, two, three, and four-bedroom houses. The 19 homes are located within Loftus Garden Village, a community of 250 homes developed by a local housing association. 60% of the 250 homes are affordable, including social and intermediate rent, shared ownership sales, and the 19 co-operative homes.

The initial housing association was the Charter Housing, with Seren Living, both now part of the Pobl Group. The housing association chose to develop co-operative shared ownership to make the entry into homeownership more affordable than through the normal shared ownership route and to adopt a community led housing approach. The development is part of a Welsh government programme to support housing co-operatives. The Welsh government provided a social housing grant to the housing association for development of the 19 homes and funded support for the co-operative from the Wales Co-operative Centre and the Confederation of Co-operative Housing.

17 of the 19 homes were purchased on a shared ownership basis with owners having the opportunity to buy in by purchasing as little as 30% of their homes, lower than the typical 50%. The shared ownership households who own less than 100% of their homes make monthly rent payments, collected by LVA co-operative, to Pobl of 3% per annum of the share of ownership retained by Pobl. All 17 of these homeowners have the right to staircase their ownership up to 100% ownership and purchase of the freehold; however, the lease and transfer documents contain a resale covenant that requires all current and future shared ownership and freehold homeowners to be members of the co-operative. One member purchased through an outright freehold purchase of the home, and one member is a tenant. All members pay an annual estate management fee. The members of the LVA co-operative are responsible for all repairs and maintenance on their homes and are able to pool their repairs and their gas servicing needs to save costs.

The 19 founder members of the LVA co-operative were recruited by the housing association in 2015, a year before the homes were ready for occupancy, through flyers and meetings. They spent that year working together to form the co-operative, with help from the Welsh Co-operative Centre and the Confederation of Co-operative Housing. LVA co-operative has the right to nominate future, potential shared owners to Pobl, which will approve that nomination unless not reasonably possible.

Background of the Housing Association:

The Pobl Group is the largest housing association in Wales, managing over 16,000 homes. It is based in Newport.

The nature of the partnership:

LVA co-operative and Pobl signed a Management Agreement that sets forth their respective roles and responsibilities, summarized in the lists below. The LVA co-operative adopted a set of Model Rules for its governance and entered into an Occupancy Agreement with each of its 19 members setting forth their right to occupy their specific homes and the respective rights and responsibilities of the members and the LVA co-operative.

Loftus Village Association Housing Co-operative provides management services to Pobl for a fee, including collecting the shared ownership rent, fielding inquiries about the shared ownership homes, and managing a communal garden and space. LVA co-operative also nominates future, potential shared owners to Pobl; provides information to current and future freehold owners about sales covenants, including the covenant that all shared ownership and freehold owners must be members of the LVA co-operative; and investigates complaints of anti-social behaviour and harassment and resident disputes.

Pobl Group receives and processes notices to staircase, acquire freehold, and dispose from shared ownership owners; receives and processes requests for improvements to homes; receives and handles instances where legal action needs to be taken regarding anti-social behaviour; and manages any tenancies.

Documents:

Model Management Agreement. [Click here.](#)

Guidance Notes for Model Management Agreement. [Click here.](#)

Case Study 10

Partnership for Management Only:

Buckland Newton Community Property Trust and Magna Housing Association (social rent and shared ownership CLT homes).

Background of the CLH group:

Buckland Newton Community Property Trust's Lydden Meadow development in Dorset is a project with ten affordable homes designed to meet local housing need. Five of the homes are sub-market rent homes, and five of the homes are shared ownership homes. The development was assisted with grant from the Homes and Community Agency, the West Dorset District Council, and the Tudor Trust. The CLH group persevered over many years in obtaining all the funding they needed to do the development themselves. The CLH Group owns both the rental homes and the freehold of the shared ownership homes.

Background of the Housing Association:

Magna Housing Association is a medium sized housing association providing housing and housing related services to people and communities in Dorset and Somerset. Magna Housing Association was established in 1993 as part of a housing stock transfer from West Dorset District Council. Today, Magna Housing Association provides over 8,500 rental homes and approximately 350 shared ownership homes.

The nature of the partnership:

The CLH group partnered with a housing association for management services because it was a requirement of their government grant funding. In order to let homes at social rent, Buckland Newton CPT either needed to become a registered provider itself or partner with a registered provider. The group decided to contract its housing management services to Magna Housing Association, which is a registered provider housing association.

The partnership is for management services only. Specifically, the housing association collects the rent and service charges; deals with any contentious issues with residents; and ensures that applicants for available housing are on the relevant housing lists. The CLH group holds complete rights to interview applicants and make final selection decisions, with ratification from the Dorset Council to ensure no favouritism or nepotism.

The CLH group handles all maintenance issues and keeps a list of preferred contractors that includes qualified professionals who live at Lydden Meadow. When the partnership first formed, the housing association was in charge of maintenance decisions. The CLH group learned over time that it was better to have the CLH group oversee maintenance so that they can control the maintenance costs, understand the weaknesses in their property and residents better, and use residents as contractors when appropriate. The residents prefer having someone they know doing repairs on their homes rather than staff from the housing association; it gives the residents more income; and it saves the CLH group money.

The CLH group and the housing association have built up trust and comfort with one another over time and have defined and re-defined their respective roles during this time, as memorialised in an amended 2015 Management Agreement.

During the course of the partnership, Magna has appointed both a dedicated home officer and a dedicated finance officer to work with the CLH group. The housing association's dedicated home officer attends board meetings when needed and provides helpful guidance to ensure the CLH group knows about and follows regulations. Board members have an annual meeting with the housing association to discuss setting rents for the next year and any other issues with the partnership. The housing association also conducts a biannual inspection of the rented properties and notes any repairs needed.



Documents:

Management Agreement BNCPT July 2015. [Click here.](#)

The Buckland Newton Community Property Trust's website includes a library of all the legal documents that have been used for the development. [Click here.](#)

Case Study 11

Partnership for Enforcement of Resale Covenants:

St. Minver CLT and Cornwall Rural Housing Association and Cornwall CLT (social rent and freehold sale CLT homes).

Background of the CLH group:

The St. Minver CLT worked in partnership with both Cornwall Rural Housing Association and Cornwall CLT, acting as technical advisor and development agent, to develop four sub-market rent homes and eight freehold discounted market value sale CLT homes.

The discounted market value sale homes were sold to the CLT homeowners subject to two resale covenants. The first covenant is a right to pre-emption that gives the CLT the first right to purchase the home at the time it is put up for sale. The second covenant is a resale price covenant that restricts all future sales of the home to the same discounted market value formula that governed the initial sale, namely a discount of 35.7% of the open market value of the home at the time of sale. The 35.7% formula was derived by comparing the affordability levels set forth every couple of years by the Cornwall Council for homes based on bedroom numbers with the open market value on similarly sized homes.

For the St. Minver CLT, the Cornwall Rural Housing Association provided all of the development finance, assisted with bridge finance, developed the four rental homes completely and the eight for sale homes for self-finish, and provided advice and guidance through Cornwall CLT's project manager.

Background to CRHA & CCLT:

Cornwall Rural Housing Association owns 350 rental and shared ownership homes in Cornwall and on the Isles of Scilly. They are a founding member of the Rural Housing Alliance. They are also known for their innovative work assisting in the formation of local community land trusts, including the St. Minver CLT, through Cornwall CLT's project manager.

In 2006, Cornwall Rural Housing Association established and hosted the Cornwall Community Land Trust, which became incorporated as Cornwall CLT in 2007. The Cornwall Community Land Trust project was funded for two years by the Tudor Trust and Cornwall Council, and its aim was to support the development of local CLTs, with ongoing support from the Cornwall Rural Housing Association in the form of staff, office space, administration and loan finance.

Since January 2015, the Cornwall CLT has been a completely separate, independent organisation from the housing association. As of 2020, the Cornwall Community Land Trust has completed over 250 CLT homes and has a further 150 homes in the pipeline. St Minver CLT is currently working with Cornwall CLT (acting again as project manager and development agent) to advance a further phase of 24 much needed homes in the village.

The nature of the partnership:

In this partnership model, the housing association and/or umbrella CLT (like Cornwall CLT) buys the land, develops the rental properties, and builds the for sale homes to the point that they are "weather-tight" with the final steps of the building done by the local CLT homeowners. In addition to completing the self-finish on the for sale homes, the other critical role for the local CLT is holding the pre-emption right to repurchase the homes and the resale price covenants.

Documents:

Template Transfer from Cornwall CLT. [Click here.](#)

Redacted Lease Agreement from Cornwall CLT. [Click here.](#)

Advice for Forming

Successful Partnerships:



- 01** Reach out to a potential partner early in the process so that you understand each other's needs and interests.
- 02** Open, clear communication with each other from the start about needs, expectations, and communication and decision-making styles.
- 03** Housing association needs to understand what CLH is and the value that the community brings to the project.
- 04** CLH group needs to understand that scheme must be financially sustainable now and going forward.
- 05** Members of the CLH group need to remember that they represent the entire CLH group and not just themselves as future owners or tenants.
- 06** Members of the CLH group need to keep in mind that the housing association has to be fair in its treatment of all of its residents, including residents who live in the CLH part of the development and residents who do not.
- 07** CLH group should explain why they are asking for certain terms, e.g. ground rents are part of land costs and will be used to maintain the CLT as an organisation and build future community assets, including more affordable homes.
- 08** Engage a broker who understands both partners' needs and who can help with meetings and negotiations; could be a CLH technical adviser with experience working for or with housing associations.
- 09** The growing network of regional CLH Enabling Hubs staffed by CLH technical advisers plays a critical role as intermediaries, helping both CLH group and housing associations find the best partnership approach for a given scheme.
- 10** Reach out to CLH groups and housing associations to ask them for their advice and lessons they learned in their partnerships.
- 11** Engage a solicitor when needed to give you legal advice and to help prepare the legal documents needed to formalise and memorialise the partnership.
- 12** Housing association may need to dedicate extra project management time during the planning and development phase to work with the CLH group; hopefully that will pay off in the long run with the community being more involved with and committed to the project.
- 13** The tripartite legal documents can be costly to put together; hopefully the availability of sample documents will help ease these costs going forward.
- 14** Both the CLH group and the housing association need to work hard to develop and maintain effective working relationships, both at the start of the partnership and on an ongoing basis throughout the life of the partnership.

Useful information

Partnership Terms to Consider

Length of Lease:

When the CLH group holds onto the freehold and enters into a lease with the HA, consider having a lease term of 125 years or longer to enable the HA to count the leased homes on its books as assets.

Buy Back Clause

Consider having a buy back clause enabling the CLH group to exercise a right to buy back the homes from the HA starting in year 40 of the lease; putting the buy back at year 40 enables the HA to borrow against the homes and pay off those loans before the buy back vests; once the loans have been paid back, the HA may be happy to transfer the homes to the CLH group. It is typical to see the buy back clause be cost neutral to the HA, so that the CLH group pays legal fees and other transaction costs related to the buy back.

Clause Preventing Right to Buy

Consider including a clause preventing the housing association from offering the tenant households the right to buy their units; this clause will help preserve the affordability of the homes in perpetuity.

Ground Rents

The lease between the HA and the CLH group can include a ground rent clause setting out a price per home per week to be paid by the HA to the CLH group for the HA's tenancy on the land. CLH groups use ground rents for their overhead expenses, including insurance, audits, and other organisational costs, and to build additional community assets including more permanently affordable homes. It is also important that ground rents are affordable, and the question of affordability needs to be considered in any negotiations and agreements.

Documents used during the partnership

Option Agreement for Land or Buildings

An agreement in which the owner of land or buildings promises to give the community led housing organisation and the housing association the first right to purchase the land or the buildings after planning has been obtained and after the housing association and CLH organisation have each obtained sufficient affordable financing.

Long-Term Lease

Sometimes the CLH organisation will maintain control over the land and the homes by holding the freehold to the land and entering into a long-term, 125-year lease with the housing association. Sometimes the housing association will hold the freehold and enter into a long term, 125-year lease with the CLH group.

Heads of Terms for a Partnership Agreement

A summary document that describes the ways in which the CLH organisation and housing association intend to partner. See sample Heads of Terms from SCATA case study.

Partnership Agreement

An agreement setting out the ways that the CLH organisation and the housing association will work together during the scheme, from start to finish.

Development Agreement

An agreement relating to the rights and responsibilities of both partners during the development phase, including who has final say on design and construction decisions.

Management Agreement

An agreement setting out the rights and responsibilities of the long-term management company for the homes; the management company could be the housing association or the CLH organisation. See Model Management Agreement and Guidance Notes for Model Management Agreement from Loftus Village case study.

Section 106 Agreement

An agreement that memorialises the conditions on which planning permission has been granted, including affordability and allocation policies. See draft Section 106 Agreement from SCATA case study

Suggestions for finding the right partner:

Additional sources of guidance regarding partnerships

The Community Led Homes website is a one-stop source of guidance and resources on community led housing. It includes a Community Led Housing Toolkit produced by HACT in 2018 and authored by Pete Duncan, David Alcock, and Jon Fitzmaurice.

Links:

Community Led Homes website www.communityledhomes.org.uk

Community Led Homes toolkit www.clhtoolkit.org

Housing association bodies:

National Housing Federation website www.housing.org.uk

PlaceShapers website www.placeshapers.org

Rural Housing Alliance www.ruralhousingalliance.net

01

The CLH sector is organised into a geographic network of CLH Hubs that provide technical advisers and resources to CLH groups. Ask the local CLH Hub for names of housing associations that have already partnered successfully with CLH groups and for CLH groups who are looking for a housing association partner. **Click here for CLH Hubs.**

02

Look for housing associations with a demonstrated commitment to community led housing on the board and among senior staff.

03

Look for housing associations with a track record of developing supportive housing for individuals with disabilities and older individuals.

04

Look at housing associations who are members of PlaceShapers, a network of over 100 community-based housing associations.

05

Look for CLH groups that have a good organisational structure in place, have a CLH technical adviser working with them, and understand the interests and business needs of housing association partners. Some of the CLH groups featured in the case studies in this guide may be interested in further partnerships.

06

Some of the housing associations identified in the case studies in this guide may be interested in additional partnerships with CLH groups, especially now that they have institutional experience working with CLH groups.

Conclusion

Community led housing groups and housing associations share a common mission of developing high quality, affordable housing that meets local need. As illustrated in the case studies in this guide, each organisation has valuable skills and resources to bring to their partnerships, and these partnerships can take different forms.

If you know of other, different examples of CLH groups and housing associations successfully partnering to develop affordable housing, we would like to hear from you so that we can include your case study in a future edition of the guide.

Please contact us at hello@communityledhomes.org.uk

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