Community-led development:
a roadmap for asset ownership

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Fair	Treating people with fairness and equality
Bold	Devising progressive solutions through pioneering work
Collaborative	Working with others to achieve the best result
Independent	Always acting with integrity
Acting in solidarity	Supporting, nurturing and empowering ourselves and others

Contents

Executive summary

Across the UK, land and property development drives the extraction of wealth from local economies. This report critically analyses the dynamics in local land development markets and explores alternative models of development that build greater community wealth.

The report finds that community-led approaches to workspace, housing and high streets can support a levelling up of our places and that there is an opportunity to develop the practice of community asset transfer (CAT) to support the growth of these models. This report seeks to provide a roadmap towards a more supportive, less fragmented framework for CAT and recommends reforms to the structures of planning and finance that have facilitated the financialisaton of our property markets.

How the report is structured

The first chapter of this report examines the relationship between wealth and land and property markets in the UK, taking a historical perspective before examining the dynamics of property wealth in the present day and the impact of Covid-19.

Following this, the report explores alternative models of development, providing a history as well as case studies of practice from the UK and beyond, across the spheres of workspace, homes and high streets. Deep dive case studies in Chapter 4 highlight the land and property development stories of Hackney Wick, Plymouth and Sheffield.

The report then focusses on CAT and the range of issues that inhibit community-led development from generating and retaining wealth in local economies. The UK government's Community Ownership Fund provides an opportune moment to invest in and build a supportive infrastructure around CAT, and this report explores recommendations to this end. Further recommendations seek to address the wider structures of planning and finance.

Who is it for?

This report is intended to be of use for: national governments and parties in opposition, with an interest in communities and local economies; progressive local authorities; organisations with an interest in community-led development.

RECOMMENDATIONS

This report makes 18 recommendations, across three themes.

Unleashing the power of community asset transfer (CAT)

1) Local authorities should produce a register of assets for community use.
2) Local authorities should provide a standardised approach to CAT, underpinned by local planning processes.
3) A nationally recognised CAT qualification should be instigated for community groups and local authority officers/planners, supported by professional bodies such as the RTPI/RICS, which would provide a form of quality assurance to help address the perception of risk.
4) A peer-to-peer community learning network for asset seeking community groups should be developed, structured around the proposed qualification.
5) A local authority officer network should be developed, to enable CAT leads within local authorities to share practice.
6) Research is needed around developer engagement in CAT in the context of planning reforms.
7) A directory of formal support and advice providers (including peer mentors) who understand the specific needs of the social sector for CAT should be compiled.
8) A learning repository should be developed for both community and local authority networks, to build an evidence base and collate best practice.
9) Social value procurement tools, such as the National TOMs model, should accommodate CAT.

Planning reforms to level the field

10) A coherent system for land value capture should be developed, as part of the planning system, based on the proposed infrastructure levy.
11) Local authorities should use the development management process to secure community assets.
12) Local authorities should play the role of master developer by acquiring land for development at existing land use values.
13) Planning should be used to protect established community uses and to promote the future use of land by the community.
14) We need to move from a "Community Right to Bid" to a "Community Right to Buy" as in Scotland.

15) When selling land, the District Valuer should be allowed to take account of wider community benefits and long-term value.

Building patient financial architecture

16) Organisations which represent the social impact investment market should increase awareness and education around patient, risk-bearing capital.
17) Local authorities should seek to bring together stakeholders to identify how the existing financial architecture is, or is not, serving its place.
18) Local financial power working groups should be established by local authorities to develop a collective action plan for supporting a locally anchored purpose-driven finance sector.

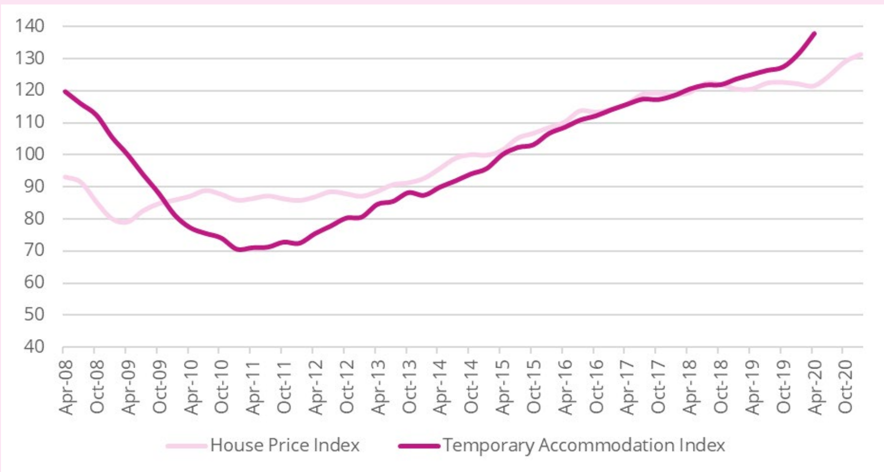
1. Introduction

Across the UK, the development of land and property are the pre-eminent drivers of the extraction of wealth from local economies, exacerbating inequality. At a local level the processes by which land and property are developed for commercial and residential use also drive economic injustice. The rising rents and values enjoyed by private developers are largely extracted from the local economy by distant shareholders.

We are seeing the impact of these processes through increases in land and property values which raise housing costs, widen inequality, drive up homelessness and exacerbate child poverty. For example, the rate of increase in private sector residential rents (median) has been greater than the rate of increase in wages (median) over the past decade (2010-2020) in 170 English local authorities. In 88 local authorities the increase in rents has been more than double the increase in wages and in a number of places in the south of England (Welwyn, Hatfield in Hertfordshire, London Borough of Haringey, Rother in East Sussex, Waveney in Suffolk, Swale in Kent and Maldon in Essex) increase in rent has been ten times greater than the increase in wages (see Figure 1).

The number of households in England in temporary accommodation organised by local authorities has been growing year on year since 2010. Between January 2011 and April 2020 numbers increased by 67%. This increase tracks the House Price Index in England almost exactly, the average price of housing across all property types in this same period has risen by over 35% (see Figure 2).

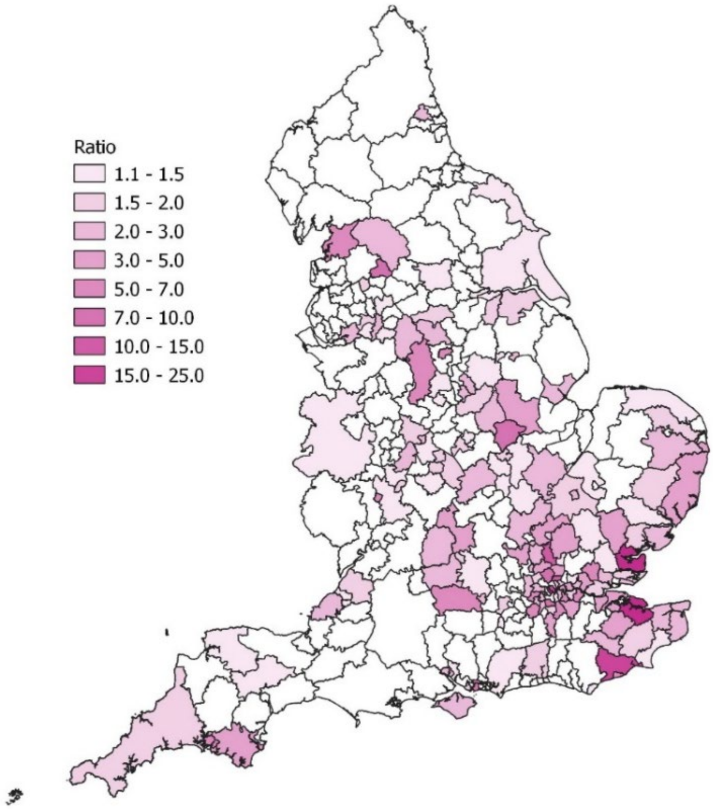
Figure 1: house prices vs temporary accommodation (2015=100)



Source: Land Registry[1]

[1] Land Registry. (2021). House Price Index. Read.

Figure 2: ratio of median rental increases to median income increases by local authority (2010-2020)



Source:Gov.uk[2].

While there is not necessarily anything wrong with developers making a profit from development, the value of land is, in part, an unearned asset and we need to ask: who actually benefits from land value uplift?

A significant element of land value results from public investment in infrastructure or the workings of the planning system, and should therefore be regarded as a public asset, and this was certainly the intention of the 1947 Planning Act. And yet today this investment in public assets is largely used for private gain rather than public interest and is far from benefiting local communities who see rising rents and inequality.

Public sector organisations play an important role in the development process, either as landowners seeking to directly develop sites for commercial sale or rent, as asset owners seeking to dispose of surplus buildings and land for a return or as local planning authorities who oversee and approve development proposals for their area. These mechanisms can all be used to address this inequality.

However, since the 1970s over 2m hectares[3] of public land have been sold-off to private interests, often with little scrutiny or accountability. This has meant that the wealth previously generated in the interest of local communities has increasingly

[2] Gov.uk (2021). Live tables on rents, lettings and tenancies. Read.
[3] Equivalent to approx. 10% of the UK's total land area

been enclosed and captured by property developers and their shareholders. These trends have been exacerbated by austerity, with local authorities especially under pressure to sell off land and property assets rather than investing in their social, economic and environmental value for the local community over the longer term.

More socially just use of land, property and assets is one of the five pillars of community wealth building and an area which is gaining increasing interest as recognition of the injustices that conventional models of development produce. To have an impact on the dynamics of wealth extraction, it is clear that we need to catalyse different models of development which serve people and place better.

This report

This report adopts a community wealth building lens to critically analyse the dynamics in local land development markets, exploring existing policy frames for development and how our property markets have been captured by global capital interests. We explore the history and heritage of alternative models of development, examining the community-led development models that build greater community wealth in workspace, housing and across our high streets.

On the basis of our research for this report in Hackney, Plymouth and Sheffield where we conducted deep dives into existing practice, engaged with a wide range of stakeholders from across the local authorities, VCSE infrastructure support bodies and asset owning and asset seeking community groups – we have identified common barriers to community-led development of land and property.

Our findings led us to explore the broader contextual frames in which community-led development of land and property occurs, with an exploration of the types of planning reforms that could start to level the playing field with private development and suggestions for the financial architecture that could enable community-led development to scales.

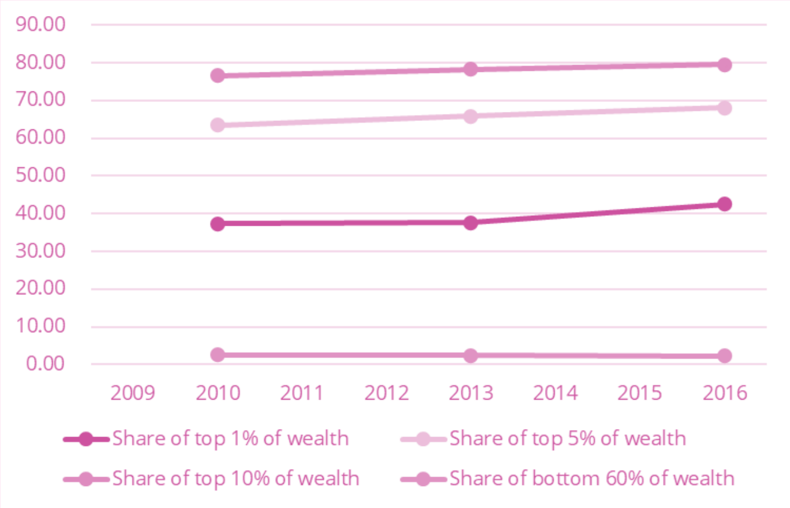
2. The financialisaton of property markets

Understanding property wealth

Historically, the study of inequality has been focused on income as a measure, with long established data collection mechanisms and methods for analysing the distribution of income within and between societies, places and groups. However, this focus fails to capture a broader understanding of wealth and wealth inequality of which income is only one part. Part of the reason for this is that accurate accounting for the total stock of wealth is much more difficult and measuring its distribution is even more complex. Most people do not have to account for their accumulated wealth until their deaths and/or the liquidation and transfer of their estates.[4]

Income (or financial wealth) accounts for only 15% of total wealth in the UK. Private pension wealth (42%) and property wealth (35%) account for much more of the total wealth share, however in comparison these have been less researched and as a result have received less interrogation. This in part explains why public policy responses to address *wealth* inequality are less developed than those around *income* inequality (OECD). In the UK, the top 10% of the population in total wealth terms own or control 80% of all the wealth in the country (see Figure 3), and this has increased from 77% in 2010. Meanwhile, the bottom 60% of the population own or control just 2.4% of wealth, which has fallen from 2.5% in 2010.

Figure 3: shares of wealth in the UK

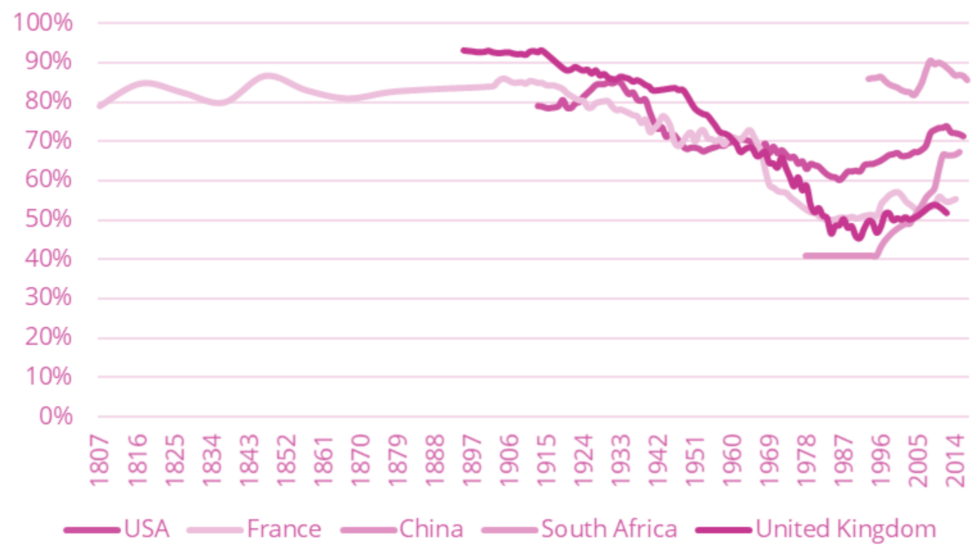


Source: ONS[5]

[4] Fuller et al. (2020). Housing prices and wealth inequality in Western Europe. Read.
[5] ONS. (2019). Total wealth in Great Britain: April 2016 to March 2018. Read.

The ratio between mean and median wealth provides an internationally recognised measure of wealth inequality, with a larger ratio indicating higher levels of inequality. The mean-to-median ratio for total wealth in the UK stood at 1.97 for the period April 2016 to March 2018, up from 1.77 in the period between July 2008 to June 2010, suggesting increasing wealth inequality over time. Similar trends are observable in economies the world over, and while the concentration of wealth fell significantly throughout the first half of the 20th century, since the late 1980s wealth inequality has again started to rise (see Figure 4).

Figure 4: wealth inequality (top 10% share)



Source: World Inequality Database[6]

Capital in the 21st century

Piketty & Goldhammer argue that the trends in wealth and the development of growing wealth inequalities are a result of macro-economic drivers, with wealth inequality increasing whenever the return on capital is greater than the rate of growth.[7] Income from interest, dividends and rents is especially significant at the top of wealth distribution, and the role of inherited wealth – which declined for much of the twentieth century – has, in a number of countries, begun to acquire greater significance.

As population and productivity growth slows, and the rate of return on capital increases above it, wealth flows into capital. With population growth in the advanced economies now close to zero, and productivity growth having stalled, Piketty predicts a return of the high capital-to-income ratios of the 19th century.[8]

In a low-growth society, the total stock of capital accumulated in the past can become very important, and therefore the countries that accumulated wealth prior to a disruptive 20th century of wars and depressions, are the best placed to now

[6] World Inequality Database. (2021). Read.
[7] Piketty & Goldhammer. (2014). Capital in the Twenty-First Century. Read.
[8] Fuller et al. (2020). Housing prices and wealth inequality in Western Europe. Read.

capitalise on the increasing rate of return. The concentration of capital ownership tends to be much higher than the concentration of labour income and therefore accumulated wealth becomes more and more concentrated among those whose earnings are based on owning capital rather than labour power.

Increasing wealth to income ratios are driven by returns from capital (capital gains) but are then further reinforced by the appreciation of the underlying assets. Piketty & Saez predict over the long run a continued increased in the rate of return on capital, with a continued decrease in the growth rate (see Figure 5).[9]

Figure 5: rate of return vs. growth rate at the world level, from antiquity until 2100

Source: Piketty & Saez[10]

Control over land and property

The major innovation of the 20th century in relation to the distribution of wealth was the growth of home ownership. The middle classes were able to accumulate wealth through the ownership of their main residence. The later part of the 20th century saw an evolution of this idea as owner occupiers were able to leverage their capital and enter into multiple property ownership (holiday homes, buy to let investments) leading to shifts in the "top tail" of property wealth distribution.[11] In the UK, the Thatcher governments introduction of "Right to Buy" brought significantly larger sections of society into home ownership.

When multiple property ownership by a small group involves the control of increasing amounts of land, it can become a central force in the production of the built environment. A growing transnational elite, seeking a return on their accumulated capital (r), combined with an increasingly innovative financial services industry, have developed ever more complex mechanisms and tools which have facilitated the financialisaton of land and property development.

[9] Piketty & Saez. (2014). Inequality in the long run. Read.
[10] Ibid.
[11] Paccoud. (2020). The top tail of the property wealth distribution and the production of the residential environment

Increasingly a small set of tightly connected landowners, property developers and investors at the very top of property wealth distribution, have been able to expand their wealth through increasing control over the production of the built environment.

Atkinson, Burrows, and Rhodes use the example of London to show how the city has become a magnet for speculative investment, drawing lessons that are relevant for many core cities in the UK.[12] Fernandez, Hofman, and Aalbers (2016) show that particular cities such as New York and London have become "safe deposit boxes" for the transnational wealthy elite linked to the growing "wall of money" searching for investment opportunities (van Loon & Aalbers, 2017).[13] [14]Our economic model produces global surpluses of private capital, for which investment in urban development represents a convenient "sink". Residential property development has been captured by this group to such an extent, that housing units in many new property developments (high rise especially) are not even available for sale to the public, having been secured as investment units before a spade is even put in the ground.

Paccoud (2020) focuses on the enabling environment for this financialisaton of property and land markets, exploring the actions of the large public landowners, and the impact of the privatisation of public land on the type of built environment produced.[15]

Generally, the public sector regards inward investment on land and property as a public good, because there is an assumption that it will lead to local jobs, new homes, new people, an expansion of the Council Tax base and local income for infrastructure and investment in brownfield land through development benefits. This support for property led development has become particularly critical in recent years as local authority budgets have shrunk as a result of austerity. The financialisation of land and property has become one of the key strategies used by austerity-squeezed local authorities in England to maintain essential services.[16] Christophers argues that while significant attention has been given to the process and the effects of the financialisaton of land and property, less attention has been given to the policy drivers and financial contexts which have shaped the role of state actors.[17]

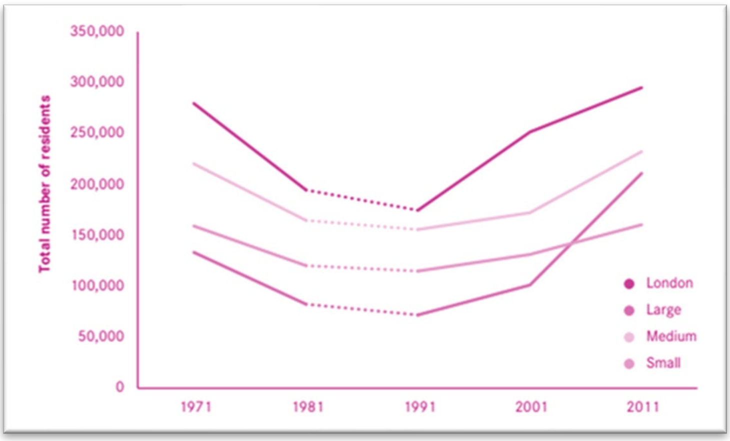
The impact of Covid-19

Covid-19 has turned the world on its head and while it is too early to predict how the fallout from the pandemic will impact on land markets over the medium or long

[12] Atkinson, Burrows, and Rhodes. (2016). 'Capital City? London's Housing Market and the 'Super Rich"
[13] Fernandez, Hofman, and Aalbers. (2016). London and New York as a safe deposit box for the transnational wealth elite
[14] van Loon & Aalbers. (2017). How real estate became 'just another asset class': the financialization of the investment strategies of Dutch institutional investors
[15] Paccoud. (2020). The top tail of the property wealth distribution and the production of the residential environment
[16] Christophers. (2019). Putting financialisation in its financial context: Transformations in local government-led urban development in post-financial crisis England
[17] Ibid.

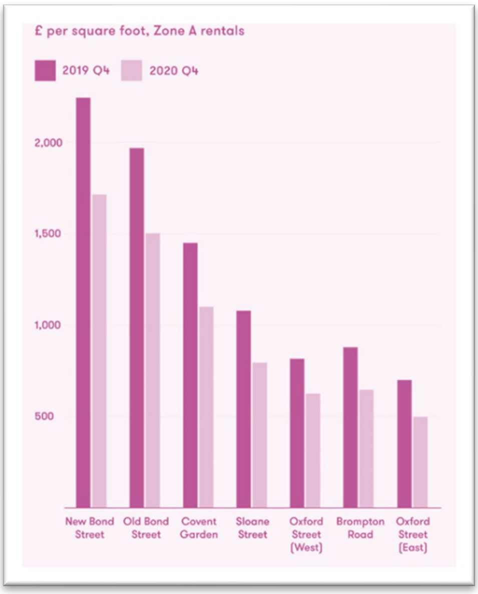
term, more immediate questions about how (and if) we "get back to the office" have clear implications for the city. It seems likely that more than 12 months of working and shopping from home will have an impact on longer term trends and we may expect city centre office and retail to contract, but the urban dereliction that precipitated the fall in city populations in the 1970-80's (see Figure 6) is unlikely to be replicated in the immediate term. There are some indications that city centre rental values have dropped (see Figure 7), and a mixed picture in terms of businesses committing to a "return to the office" and others adopting virtual working full time. The reality will likely be somewhere in the middle, with a blended picture of home and office working.

Figure 6: city centre populations of cities in England and Wales 1971-2011



Reproduced from Centre for Cities[18]

Figure 7: London rental prices pre- and post-Covid-19

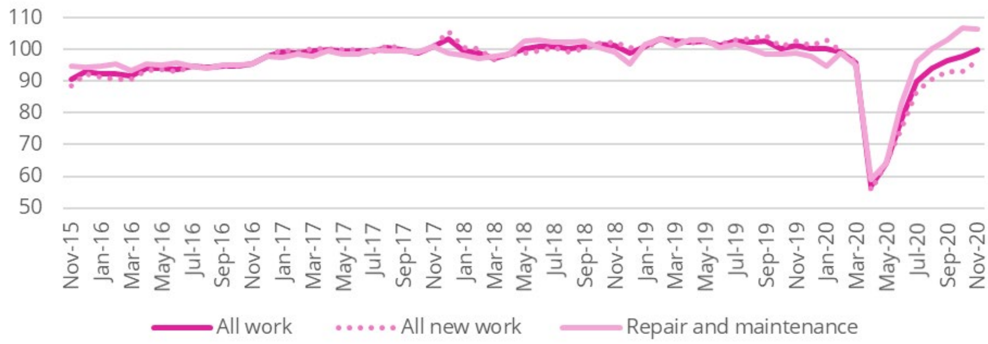


Reproduced from Centre for Cities[19]

[18] Centre for Cities. (2015). Urban Demographics: City centre populations of cities in England and Wales, 1971-2011. Read.
[19] Ibid.

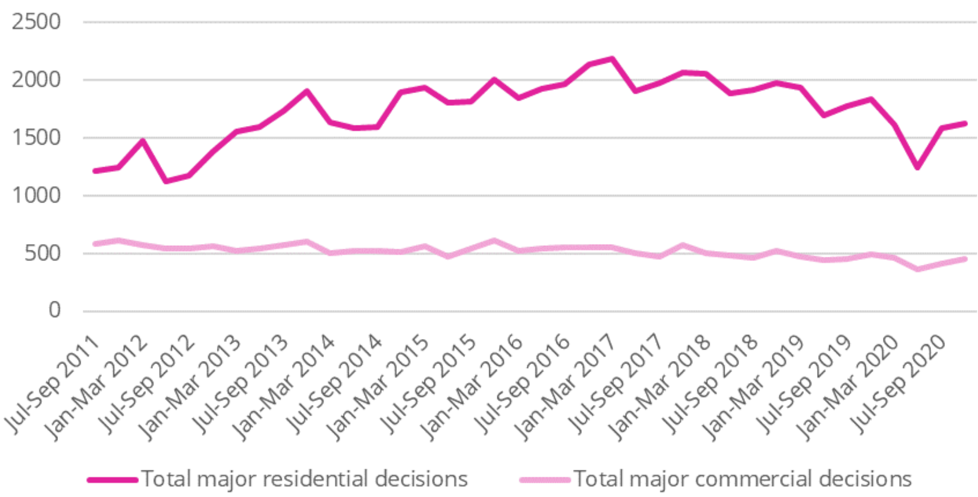
The construction industry has largely bounced back from the Covid-19 induced slump in early 2020 and while repairs and maintenance work had exceeded the February 2020 level, the level of output in new construction work had yet to recover to its pre-pandemic February 2020 level by November 2020 (latest available at time of writing) (see Figure 8).[20] During October to December 2020, authorities undertaking district level planning in England received 111,700 applications for planning permission, up 11% from the corresponding quarter in 2019, suggesting an uptick due to Covid-19 delays to projects (see Figure 9). While it is too early to indicate how Covid-19 will impact on land and property markets going forward, it no doubt presents a unique challenge and opportunity.

Figure 8: construction index, chained volume measure, seasonally adjusted, Great Britain, November 2015 to November 2020



Source: ONS, 2021[21]

Figure 9: major planning decisions, England



Source: Gov.uk[22]

Those who own, control and shape our urban land and property have a significant interest in things returning to "normal", but lockdown has put the negative

[20] Read.
[21] ONS. (2021). Construction output in Great Britain. Read.
[22] Gov.uk (2021). Table P120A: District planning authorities. Read.

externalities of this approach front and centre. The impact of cramped living spaces, lack of private outdoor space, air pollution and congestion are all now being reassessed, but only by those who have the privilege to do so. Many of the key workers who have kept us going through the pandemic lack this luxury.

How will global investors (including our pension funds) react? What implications will it have for those that manage our cities who are already cash strapped and are themselves heavily invested in land and property?

3. Alternative models of development

There are many examples from around the world of models of urban (and rural) development which seek to generate and retain more wealth in their local economies, bucking the trends of international capital dominating how our urban centres are shaped and used, determining who is welcome and what can be done in these spaces.

Many of these alternative models have a long and demonstrable heritage, the community land trust (CLT) movement for example has its roots in 1930's America, while the co-operative movement has a history dating back to 17th century Scotland and the Rochdale Pioneers from the mid-19th century. However, these alternative models of ownership often remain at the margins.

In this chapter we examine the literature and evidence around three spheres of alternative land and property development: workspace, housing and high streets. For each, we explore alternative models that have developed in the UK, where they are in their development trajectory and what barriers they face to scaling.

Workspace

History

The provision of subsidised workspace for small enterprises has been a public sector concern in many developed economies since the 1960s, however it was only from the 1980s onwards that small businesses came to be recognised for their potential to create jobs. Arguably, it was not until the 2000s that enterprise policy developed as an instrument of social policy to improve opportunities for disadvantaged individuals and communities at the same time as improving the productivity of small businesses.[23]

In the 1980s and 90s the development of workspace was seen by local authorities as a tool for economic regeneration and job creation particularly in areas where traditional industries were in decline. Whatever the impact of Covid-19 (property websites are reporting a wave of interest in rural and semi-rural residential property), cities will continue to need a mix of uses, including business workspace if they are to be economically and socially resilient, sustainable and vibrant going forward.

[23] Greene & Patel. (2013). Enterprise 2050: Getting UK enterprise policy right. Read.

Wolseley Trust, Plymouth

Wolseley Trust was the first community development trust in Plymouth, with a local membership of over 600 residents. Operating in an area of high unemployment the Trust maintains a firm commitment to support local enterprise, local job creation and local training via its business park sites. Wolseley Business Park houses 25 offices and light Industrial units ranging in size from 750sq. ft. to 1800sq. ft., together with a community café and nursery, free business support and advice. The Scott Business Park comprises 34 light industrial and office units ranging from 600-3000 sq. ft., the Jan Cutting Healthy Living Centre and a community operated café.

The income generated from affordable workspace allows the wider trust to provide a range of services for the local community. The Healthy Living Centre opened in January 2003 and partner organisations provide a variety of services which impact and support positive lifestyle changes. The Wolseley Community Building provides space for a wide range of community activities and groups, from Slimming World to Alcoholics Anonymous. Their community cafés support young learners who have educational health care plans to develop qualifications and transition into the world of work. A community gym provides free memberships for up to 16 weeks for the unemployed, single parents, NEET's, and over 60s. Youths aged 11 to 17 years who want to get fit can attend free sessions at the gym.

Where we are now

The pressure on land values in areas like London and the South East have meant that they have led the way in developing “affordable” workspace policies over the past decade, seeking to protect existing companies and support the generation of new businesses. A significant amount of effort has been focused on developing a policy frame which provides support for those businesses which are being displaced due to private sector property development, where large-scale regeneration and renewal programmes may have gentrified the areas where these industries typically found their space.

Ferm’s body of work [24] [25] [26] highlights the contradictions and flaws in the approaches taken in London, with her research displaying how local authorities appear to use “affordable” workspace policies to both prevent and promote commercial gentrification. Her research has illustrated the tensions faced by local authorities (and planners in particular), whose role in part is to promote fairness and social equity, but who are also locked into a “growth-dependent” model, where they rely on private-led development to secure social benefits through planning gain.[27]

It could be argued that developers have co-opted affordable workspace requirements to deliver the artist and creative industry spaces which give their developments an edge and provide a creative buzz which is attractive for those segments of society that they are trying to market their residential property to. Affordable workspace has become a tool developers “use” to gain planning permissions from authorities.

Ferm’s critique highlights how the planning system (and Section 106 in particular) has failed to deliver affordable workspace for the businesses that need it most. While there have been clear benefits for artists and creative industry businesses, providers are often targeting established businesses, essentially luring tenants away from more established clusters with the attraction of cheaper rents. This may generate greater economic activity in the new location, but it will be zero-sum and also likely to bring in commuting employees from elsewhere, rather than generating jobs locally.

The focus on affordable workspaces for artists (studios) and creative industry businesses (co-working spaces) has not benefited small scale manufacturers or family-run retail and service businesses, nor has it generally benefited start-ups, limiting the potential contributions to local economic growth.

Roger Tym & Partners (2006) indicated that the small to medium enterprises that were most affected by accommodation problems in UK cities were catering businesses, followed by shops, then factories and workshops, warehouses and

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[24] Ferm. (2014). Delivering affordable workspace: Perspectives of developers and workspace providers in London
[25] Ferm. (2016). Preventing the displacement of small businesses through commercial gentrification: are affordable workspace policies the solution?
[26] Ferm & Jones. (2017). Beyond the post-industrial city: Valuing and planning for industry in London
[27] Rydin. (2013). The Future of Planning (Bristol: The Policy Press) cited in Ferm. (2014). Delivering affordable workspace: Perspectives of developers and workspace providers in London

finally offices.[28] Given that affordable workspace policy focuses only on the provision of B1 space, i.e., offices or studios, it is clearly addressing only a very small part of the affordable workspace problem.

Routes forward

Planning gain should be a useful tool for generating affordable workspaces but requires significant input and resources from the local authority to ensure the inclusion of affordable workspace in their schemes provides social equity for the local (original) community, which in many instances can be lacking due to reduced and limited capacity. Planning gain delivers affordable workspace typically via developers building mixed-use developments, these naturally favour the co-location of offices and studios with residential and building design is driven by the needs of residents rather than businesses, as the residential component is the financial driver. Shops, factories, workshops and warehouses often do not feature.

Planning changes introduced in 2013[29], specifically the introduction of permitted development rights have made it easier to convert office space into housing, accelerating the loss of workspace in towns and cities. With residential land values significantly higher than those for commercial uses, and with political pressure to build more homes, there are strong incentives to replace workspace with housing. This undermines the protection of employment land and removes the opportunity for planners to require the provision of affordable workspace in new developments.[30] A consultation proposing to extend permitted development rights to enable more commercial, business and service premises to be converted into residential without planning permission, ended at the end of January 2021 (MHCLG, 2020), a move that will further reduce potential for workspace.

Future of London gathered insight and best practice on affordable workspace provision from operators, property professionals and planning, regeneration and economic development officers.[31] While it noted that rent affordability is often the headline issue, interventions such as business rates relief, sharing management overheads and allowing flexibility in contracts can have as much of an impact on the costs of a small business as rent. Increasingly, local authorities and charitable providers are wary of offering space to end users for free or at significantly below-market rates when they are looking at policies to support enterprise growth, as this can disincentivise companies from developing viable business models.

A number of councils across the country have responded to concerns raised by the relaxation of permitted development rights by introducing article 4 directions to protect employment areas from permitted development. Not surprisingly, these directions are more common in London where property values outstrip the rest of

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[28] Roger Tym & Partners. (2006). The demand for premises of London's SMEs. London: London Development Agency, cited in Ferm. (2014). Delivering affordable workspace: Perspectives of developers and workspace providers in London

[29] Key changes to the planning regime come into force from 1 October 2013, see here for further details.

[30] RICS. (2018). Assessing the impacts of extending permitted development rights to office-to-residential change of use in England. Read.

[31] Future of London. (2017). Workspace that works. Read.

the country, with Lambeth,[32] Brent,[33] Hackney[34] and Westminster[35] all having introduced orders to protect employment space. Outside of London, Hertsmere Borough Council has agreed an article 4 direction across 13 significant employment sites as a measure to help the borough to recover economically from the coronavirus (Covid-19) lockdown.[36]

The Creative Land Trust,[37] an independent organisation, has been established with £4m in public money, £2m from Arts Council England and further funding from Bloomberg Philanthropies, to provide financing for affordable workspace providers to buy and own buildings to be used as permanent workspaces for artists, aiming for freehold property or long leases of at least 99 years to secure land in perpetuity for long-term use. The main challenge in our urban settings is the compatibility of light industrial and workspaces uses with residential. Our planning system is not well equipped for working with the spatial requirements of different types of industry, a hangover of our zonal planning approaches. However, there is significant scope for achieving more from a greater mixing of land uses.

The future of urban manufacturing

We also need to work much harder to understand the potential of new urban manufacturing and its geographical manifestations. New producers are likely to be smaller-scale and more urban in their requirements than we have been used to, and "the traditional boundary between manufacturing and services is fast becoming obsolete [with] the bundling together of the tangible object with an array of intangible services that makes for the most desirable, service-enhanced product".[38] Many would argue that Covid-19 has served to accelerate existing trends, and so we may expect the same for the future of urban manufacturing.

The makerspace movement has carved out a series of communal facilities in openly accessible spaces, often giving access to resources which have been collectively hailed as enabling a revolution in "personal manufacturing".[39] [40] Taylor et al argue however that access to the benefits of makerspace facilities is unevenly spread, and though often open to all, many of those making use of these facilities are the early adopters with technical or creative backgrounds, drawn from limited demographics.[41]

Makerspaces of course vary significantly and range from incredibly small spaces catering for local enthusiasts to large spaces providing commercial services. They tend to be spaces where people can come together to share skills, ideas and equipment and the idea of the fab (fabrication) lab, which emerged from MIT and has grown into a global network of spaces, is built around a particular set of shared

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[32] See here for more details.
[33] See here for more details.
[34] See here for more details.
[35] See here for more details.
[36] See here for more details.
[37] See here for more details.
[38] Lester. (1998). The Productive Edge – How US Industries are Pointing the Way to a New Era of Economic Growth. New York: Norton cited in Marceau & Martinez. (2002). Selling solutions: Product-service packages as links between new and old economies
[39] See here for more details
[40] Taylor et al. (2016). Making Community: The Wider Role of Makerspaces in Public Life. Read.
[41] Ibid.

values - the Fab Charter - that defines them as community spaces, with business as a secondary activity that must not interfere with the primary function.[42]

> Commercial activities can be prototyped and incubated in a fab lab, but they must not conflict with other uses, they should grow beyond rather than within the lab, and they are expected to benefit the inventors, labs, and networks that contribute to their success
>
> MIT, 2012

Makerspaces in Newcastle[43] and the award-winning Edinburgh Remakery[44] provide spaces for individuals to explore their creativity and tap into a like-minded community. However, these are not primarily spaces for businesses to grow into.

As the city becomes increasingly devoid of suitable workspaces, the process of gentrification speeds up with more people priced out of living there. Social and low margin business models become more difficult to sustain in an urban setting, and while conceptually useful, the idea of a creative land trust will do little for those who are struggling most to get access to space. Returning to Roger Tym & Partners, catering businesses, retail, factories, workshops and warehouses are in higher demand than offices and studios.[45] So, in reality, a "light industrial land trust" is more urgently needed to complement creative/arts-led approaches.

[42] MIT. (2012). The Fab Charter. Read.
[43] See here for more details.
[44] See here for more details.
[45] Roger Tym & Partners. (2006). The demand for premises of London's SMEs. London: London Development Agency, cited in Ferm. (2014). Delivering affordable workspace: Perspectives of developers and workspace providers in London

Anchorage Community Land Trust, Alaska

Anchorage Community Land Trust (ACLT) in Alaska, USA has purchased and developed nine commercial properties in the Mountain View neighbourhood, creating spaces for 24 commercial tenants. The area had lost its local bank, and so the first project was to turn a vacant petrol station into a credit union, which itself has gone on to support a number of local entrepreneurs.

Set Up Shop is ACLT's flagship program to support neighbourhood entrepreneurs. The programme offers a training programme in cohorts of 10-15 people. Set Up Shop then offer small business loans to entrepreneurs and business owners who cannot access mainstream credit.

Entrepreneurs get ongoing business support and coaching to grow their business, working with a mix of in-house support and professional providers at discounted or pro-bono rates.

ACLT has been developing a burgeoning portfolio of commercial property assets since 2004 and now houses seven non-profit organizations. 20,000 sq ft of ultra-modern sports and fitness facilities provide space for the Special Olympics Alaska state-wide programme. ACLT purchased a disused building and renovated it into a restaurant, before supporting a local resident through the Set-Up Shop programme to open Anchorage's first German restaurant. An abandoned caravan trailer park has been converted into an urban farm providing an opportunity to neighbourhood entrepreneurs.

Housing

History

Community-led housing emerged in a number of UK cities and municipalities in the late 1960s, partly as a response to the large-scale urban renewal and housing clearance schemes at the time. Community-led housing is an umbrella term for a wide range of community-led approaches to housing provision, including grassroots groups, co-operatives, self and custom-build, self-help housing and community land trusts. The differences between these approaches largely relate to the different types of governance and organisation found in each typology, the scale of the housing projects, housing provision and the type of land or property supporting the project.

In the 1970s and 80s co-operative housing began to emerge as a vehicle of delivery and an organisational model for socially ethical housing, where housing would be affordable but would also offer a more democratic model of involvement for tenants.[46] The Housing Act of 1974 offered the opportunity for co-operative housing to be seen as a viable model for housing provision, with the Act advocating for housing renewal rather than housing clearance.[47]

Co-operative housing models were helped by the development of umbrella co-operative organisations such as the Co-operative Housing Agency in the late 1970s. These grew mainly as independent models across the UK, especially in England throughout the 1980s, but due to political change, their fractional nature and having grown, developed and worked independently from each other, critical mass was not reached and eventually the prominence of community-led housing dimmed in the late 80s, with housing delivery more commonly pursued through private and public sector partnerships.

The history of co-operative housing, and community-led housing more generally, has gone through cycles. An important insight into the hidden history of co-operative housing was given by Johnston Birchall in his 1991 paper, where he noted "it is interesting that co-operators, through a lack of sense of history, have often 'reinvented the wheel' as far as co-operative structures are concerned."[48] Birchall was clear in his view – writing in the opening statement of his Introduction- that "In Britain, ever since housing became part of the debate over government policy, co-operative housing has almost always been kept off the political agenda, sometimes because policy makers have been hostile to it, more often because they were ignorant that it was even a possibility".[49]

This political ever-changing attitude, at government level, to the value and worth of community-led and co-operative housing is a key reason why we have seen community-led housing not only go round in cycles but also fail to gain critical mass traction in delivering substantial housing numbers.

[46] Lang et al. (2020). Grassroots innovations in community-led housing in England: the role and evolution of intermediaries. Read.
[47] Ibid.
[48] Birchall. 1991. The hidden history of co-operative housing in Britain. Read. P4
[49] Ibid P2

In his 2009 research Robert Rowlands categorises three phases of community-led housing, which he visualises in the table reproduced below (Figure 10), highlighting the failures and successes of each phase.[50]

Figure 10: Three phases of community-led housing

	Context	Development	Outcomes
Phase 1: Co-partnership Housing	Garden city movement Industrialisation and housing need	Collective ownership, dispersed stock External capital and investors Capital return on investment	Success: Mutual respect for neighbourhood Failure: Power struggle for control Failure: Rent controls, privatisation and lack of support Failure: Lack of co-operation between societies
Phase 2: Co-ownership	Aspirations for home ownership New models encouraged Scandinavian models	Collective owners, individual tenants Development separate from Management Experimental	Failure: Mistrust of residents Failure: Regulatory difficulties Failure: Financing increasingly difficult 1980 Housing Act
Phase 3: Common Ownership and Tenant Management	Political support for co-ops Political support for by-passing municipal government	Secondary-Primary relationship Initial access to finance Understanding of niche markets	Success: Accessible to low-income households Success: Rise in tenant control Failure: Financing becomes tighter – post '88 Failure: Regulatory difficulties

Source: Rowlands[51]

Rowlands goes further to state that "each phase has been good at meeting specific housing needs at that particular time. However, the models have lacked flexibility to adapt to changing circumstances and new markets sufficiently to grow and, in some cases survive [...]."[52] It is also important to frame Rowland's view appropriately in the context of housing and community-led housing, as the co-operative housing movement remains a small part of the overall provision.

[50] Rowlands. (2009). Forging Mutual Futures - Co-operative, Mutual and Community Based Housing in Practice: History & Potential. Read.
[51] Ibid.
[52] Ibid. Piii

Homes for Change, Hulme, Manchester[53]

Homes for Change is a fully mutual housing co-operative in Manchester, UK, which works on the basis of seeing the local community as a strength rather than a problem. Together with their sister co-operative Work for Change, they have sought to embrace rather than suppress the alternative lifestyles and open tolerant community that characterises Hulme. The process by which the Homes for Change model was created illustrates that when local people are given a full and informed choice over their environment, the result need not be the blandness which has characterised so much "community architecture".

Homes and Work for Change emerged from Hulme in 1987 as a co-operative set up to claim one of the threatened city centre warehouses. When these efforts failed, the co-operative relocated its activities back to Hulme, bruised after four years' work, but with a huge amount of experience, an unused allocation of grant funding and, crucially, registration with the Housing Corporation. When it was announced that Hulme was to be redeveloped through the government sponsored City Challenge programme, Homes for Change was able to turn its attention to its home territory. Whilst the Hulme built in the 1960s may have failed, it nevertheless nurtured a strong if unconventional community. Because of its proximity to the universities in Manchester, Hulme was an area of contrasts, 35% of the population had no qualifications at all whilst 25% had degrees or diplomas.

With the redevelopment of Hulme pending, Homes for Change was conceived as a lifeboat to preserve a small part of the local community, not catered for elsewhere. The co-operative sought not to reject the past but to build upon it by rescuing the best points of the old estate.

At the same time, they used their very practical experience of its failings to ensure that these were not repeated in the new development. Homes for Change was accepted as one of the social housing developers in Hulme and following lengthy negotiations was allocated funding for 75 flats and a site in the heart of the area.

[53] Homes for Change. (2021). website. Read.

Where we are now

The nature of community-led housing, as an umbrella grouping of approaches which have shared aims and objectives, means that the differences are relatively small and it is often difficult for external groups or individuals to understand what sets them apart from each other. Similarly, the persistence of the development of separate models by different groups has perhaps prevented a scaling of a community-led housing movement.

Lang, Chatterton and Mullins help chart the renewal in interest and role of community-led housing through the coalition government and the establishment of the Localism Act, at which time small funding pots for the delivery of local housing projects enabled small groups of co-housing and co-operative housing to emerge.[54]

Routes forward

A significant new partnership formed between the National CLT Network, Locality, The Confederation of Co-operative Housing and the UK Co-housing Network called Community Led Homes[55] was established in 2018. The partnership intends to facilitate the delivery of community-led housing and to support groups who want to form and create their own approaches. Strongly supporting their work has been the government-led Community Housing Fund. In its first phase, launched in July 2018, a pot of £163m was made available across England, offering a significant breakthrough for the sector, bringing levels of mainstream support (in terms of funding) not seen for decades.[56]

The aim of this particular fund, summarised in the Ministerial Forward, states: "This fund will provide ordinary people across England with an additional and realistic option for meeting their housing needs, delivering lasting benefit for themselves and their communities".

The effectiveness of the Community Housing Fund is still being reviewed and understood, however the Community Led Homes partnership has presented evidence that £2.70 benefit is gained from every £1 of public spending on community-led housing. With the first phase (2018-2020 = £163m) of the Community Housing Fund closing in 2020, just £4m has been allocated to a renewed Community Housing Fund for 2021/22.

Although the Community Housing Fund is a significant breakthrough, it's also important to note that it has not been a panacea to a range of other barriers such as groups' ability to gain access to accurate advice and support, a streamlined planning system, as well as availability of land and property for community-led housing schemes. These and other existing barriers mean that we are yet to see a critical mass of community-led housing planning applications coming through the system.

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[54] Lang et al. (2020). Grassroots innovations in community-led housing in England: the role and evolution of intermediaries. Read.
[55] See here for more details
[56] Homes England. (2018). Community Housing Fund: prospectus. Read.

Perhaps the biggest challenge faced by community-led housing is how to deliver at scale. Community led housing provision delivers less than 1% of housing stock in the UK.[57] However, the ongoing work on developing effective intermediaries – such as the UK Co-housing Network (UKCN), World Inhabitat (former BSHF) and most recently, in 2014, the Community-Led Housing Alliance' (CLHA) – has brought forward a step change in the ability to replicate the model of community-led housing more effectively and with more clarity regarding its process from inception to delivery.

Intermediaries such as the CLHA offer an increasingly important role as umbrella groups for the sharing of knowledge; lessons learnt amongst the sub-niche groups and organisational support to bid for larger funding (such as the recent Community Housing Fund). The role of Intermediaries means they can offer a more streamlined and replicable model to new groups wanting to deliver their community-led housing, thus the aim is that individual community-led housing groups can then deliver their project more easily, which also makes community-led housing more accessible, inclusive and affordable to all.

Intermediaries have also shown the ability to create stronger ties and links with local authorities, overcoming issues posed by planning application processes and other local planning policies. They have established more robust processes, frameworks and networks to engage with local authorities on behalf of groups, because of internal capacity and in-house technical knowledge that smaller, (mainly grassroot groups) groups don't have.

[57] Lang et al. (2020). Grassroots innovations in community-led housing in England: the role and evolution of intermediaries. Read.

Marmalade Lane, Cambridge

Marmalade Lane is Cambridge's first co-housing community, it offers a unique example of partnership-working between a developer and future residents. It consists of 42 homes with extensive shared facilities. The project goes back to 2015 when developers TOWN with its partner Trivselhus begun collaborating with K1 Co-housing to deliver Marmalade Lane. Delivered on land owned by Cambridge City Council, with a design team led by Mole Architects, TOWN's first built project was completed in late 2018.[58]

Marmalade Lane is a self-managed community where each member has a stake in the common parts and contribute to the running and management of the community. The project is the culmination of eight years of work by the community group, coming at a moment when custom-build and community-led housing had begun to see widespread support by the government as a viable and attractive model for future housing.

With Mole Architects and the wider design team, TOWN worked directly with the future residents to turn their brief into a detailed design, with co-housing members and professionals collaborating closely through design workshops around themes such as housing design, common house, sustainability and shared outdoor spaces.

As a multigenerational co-housing community, Marmalade Lane is a neighbourhood where residents know one another and offer neighbourliness and mutual support. Community life is encouraged by its design too. Sharing resources and offering mutual support is part of the sustainable ethos of the scheme.

[58] Marmalade Lane. (2019). Press release. Read.

High streets

History

For centuries, the UK's high streets and town centres have played an important role for business and social life. The terms high street and town centre are often used interchangeably and high streets have historically included multiple uses. However, the post-war high street is largely seen as an area within most towns and cities where the principal shopping district is located.[59]

The high street has been through a series of crises in the last 50 years and the idealised high street, consisting of a butcher, baker, grocer etc. has not existed for many years.[60] The first crisis took place in the 1960s and 70s when the arrival of supermarkets all but wiped-out the independent grocery sector. In 1950 there were 120,000 independent butchers, bakers, greengrocers and fishmongers in England. Today there are just 30,000 and the supermarkets have taken an astonishing 97% of grocery sales.[61]

The second crisis took place in the 1990s when a relaxation of planning policy led to the expansion of out-of-town retailing leading to the decline of traditional high streets.[62] Subsequently, a "town centre first" approach was introduced including a sequential test, meaning that an out of centre site could not be developed for retail if a suitable site existed within or nearer to the centre.[63] This worked reasonably well; in 1994, 86% of new retail space was out-of-town whereas by 2001 85% of planned development was in town centres.[64]

There followed a period of sustained town centre growth through the 2000s brought to an end by the 2008 financial crash. Consumer confidence collapsed and remained negative for five years, together with stagnating family incomes and unsustainably high costs of doing business. 10,000 shop units closed in UK town centres between 2009 and 2011.[65] Vacancy rates more than doubled over the five years from 2008 – in the case of voids, rising from 7% in 2008 to a peak of 16.3% in 2012.[66] This third crisis was then magnified by the 2011 riots which prompted the Prime Minister David Cameron to announce a review of the state of England's high streets, fronted by the retail guru and TV presenter Mary Portas.[67]

There have been a series of policy responses to these crises dating from the 1990s through the Portas Review to the more recent Future High Streets Task Force and Fund. They all largely agree on what the high street should become; more mixed use and community focussed with less reliance on retail. However, there is no clear

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[59] Future Spaces Foundation. (2014). The Future High Street - Perspectives on living, learning and livelihoods in our communities
[60] Grimsey. (2012). Sold Out
[61] The Competition Commission. (2006). Working paper on barriers to entry. Cited in Schoenborn. (2011). The Right to Retail: Can localism save Britain's small retailers?
[62] URBED. (1994). Vital and viable town centres: meeting the challenge.
[63] Wrigley et al. (2015). British High Streets: from Crisis to Recovery? A Comprehensive Review of the Evidence
[64] Morton and Dericks. (2013). 21st century retail policy : quality, choice, experience and convenience
[65] Millington et al. (2015). Multifunctional Centres: A Sustainable Role for Town and City Centres.
[66] Wrigley and Brookes. (2014). Evolving High Streets: Resilience and Reinvention Perspectives from Social
[67] Dobson. (2015). How to Save Our Town Centres: A Radical Agenda for the Future of High Streets

agreement on strategy for getting from where we are now to where we need to be. It is in this context that the discussion about community ownership of high streets is taking place.

Community ownership of retail can be traced back to the birth of modern co-operation, with the Rochdale Pioneers opening their first shop in the town of Rochdale in 1844.[68] Initially open for two nights per week, selling four key items – butter, sugar, flour and oatmeal – and known as "the store" in Rochdale, the Pioneers continued to trade from the Toad Lane premises until 1867.

Sir Horace Plunkett, the pioneer of rural co-operation in Ireland and much of the English-speaking world, began his journey into the world of co-operative enterprise when returning to his family estate in Ireland from Oxford University. Despite being best known for helping to establish farmer co-operatives and rural credit unions in Ireland, his first venture was to help set up Dunsany Co-operative Society in 1878, a co-operative shop. It was a small shop selling groceries and providing a local market for eggs and butter. The shareholders were Dunsany tenants and labourers and Horace Plunkett himself, who worked in the shop before they could afford a manager.

Where we are now

While the co-operative movement as a whole has grown over the past one and a half centuries, community ownership has not made a significant foothold on our high streets. EG's analysis of 3,200 retail premises across 22 of the UK's busiest high streets shows that almost a fifth of shops (by number) are owned by overseas investors.[69] Shops owned by overseas investors are more than twice as likely to be vacant and the biggest owners of vacant units are real estate and property companies (one in four) and overseas investors (over one in five). Just one in ten vacant units are owned by the public sector or social sector.

While access to space is a challenge, many problems are caused or exacerbated by the UK's exceptional lack of transparency on land and property. Communities simply do not know how the land and property around them is owned and controlled. Local residents find the planning process confusing and opaque. And even experts struggle. For years, the UK's planning and housing organisations have called for more transparency, without success. Even repeated calls by government ministers and members of Parliament for better information on housing, planning and land have been unsuccessful.

Community ownership of high streets is often discussed as a "temporary solution" whereby vacant properties are matched with local groups who need space. The Open Doors pilot was introduced as part of the Government's recent package of reforms.[70] This approach is an important recognition of the potential for community organisations to step in where other stakeholders have left the high

[68] See here for more details.
[69] Child. (2019). Who owns the high street?
[70] See here for more details.

street. But it potentially gives too little resource and control for the power of the community-owned or community-led model to take effect.[71]

Lark Lane, Liverpool

Lark Lane is an example of a type of high street that has emerged in recent years, reinvented and repurposed using culture and art.

In early 2020 the Lark Lane Neighbourhood Association produced a community action plan called Loving Lark Lane: Valuing, Enhancing and Celebrating Our Cultural Heritage. In 2019 it secured funds from Liverpool City Council's Environmental Initiatives Fund to run a series of community conversations that fed into the community action plan.

One of the main proposals in the community action plan was to make the street one way. This has been achieved much more quickly than anticipated through the Council's Covid-19 measures (called the City Without Walls initiative), although this has also created local opposition because of the bright orange bollards used and also the way in which the wider pavements and social distancing measures have led to outdoor drinking.

The main community-owned asset on the street is the Lark Lane Community Centre that is housed in the old police station and provides accommodation for a range of local organisations plus a huge range of community events from pensioner luncheon clubs and toddler clubs to art classes, dance and markets.

[71] Brett and Alakeson. (2019). Take Back the High Street Putting communities in charge of their own town centres

Routes forward

Community ownership on the high street can deliver significant economic benefits. Power to Change (2020) research estimates that there are at least 6,300 community-owned buildings and green spaces many of which are on the high street. Community-owned spaces contribute £220m to the UK economy, and 56p of every £1 they spend stays in the local economy. Three-quarters of these report being in good financial health with an extremely high survival rate. Community ownership can lead to fewer empty units on the high street. However, transparency is needed for communities to take ownership. In some places this could be a solution to fragmented ownership, high rents and absentee landlords.[72]

The current Right to Bid is weak in terms of supporting community ownership. Recent analysis for Power to Change shows that under the current regime of registering assets of community value, only 15 out of every 1,000 end up in community ownership. The inadequacy of the Right to Bid was also highlighted by the Housing, Communities and Local Government Select Committee in its review of the Localism Act 2011 and by the Localism Commission in its final report in January 2018.[73]

> We therefore see a good case for the extension of the Right to Bid under the Localism Act 2011 to a powerful new Community Right to Buy, as under Scotland's Community Empowerment Act. This extension would give specifically defined communities with a strong track record and a solid business case priority rights to buy land in which they have registered an interest, and a generous window of opportunity to raise the funds necessary to meet the price as determined by an independent valuation.
>
> Brett and Alakeson, 2019

[72] Brett and Alakeson. (2019). Take Back the High Street Putting communities in charge of their own town centres
[73] Locality. (2017). People Power: Findings from the Commission on the Future of Localism. Read.

This proposal from Brett and Alakeson includes community asset transfer of local authority buildings into community hands and possibly also the use of compulsory purchase orders that local authorities can use to enable community ownership when all other routes have been exhausted and there is a clear public benefit.[74]

Many town centres have too much retailing space, with vacant or underused space being poorly maintained.[75] These vacant shops no longer meet the requirements of modern retail or leisure businesses. Multi-year leases required by landlords make it difficult for high street businesses to exit tenancies without incurring significant cost and damage to profits. As a result, struggling retailers and businesses have no choice but to hang on, in a "zombie" state, even though trading is poor.[76]

Arguably, if high streets were in a single unit (like a shopping mall) they could be properly planned, could act in a more entrepreneurial way, could introduce other uses and therefore could implement the vision of people like Mary Portas. A solution was put forward by KPMG (2015) that involved all of the property owners in a high street/town centre giving up their property in exchange for an equivalent stake in an organisation that would become the owner of the street.[77] This body would be able to buy out the leases of occupiers thereby controlling the portfolio, using compulsory purchase orders as required. They would commission a masterplan and business case, borrow money/raise investment and take on the powers of a development corporation to regenerate the centre. The organisation would then transition to long-term management based on rents and service charge. Parmiter suggests town centre investment management vehicles to bring the core of town centres under unified control and management, helping to reverse or halt decline in many centres.[78] This transformation would typically be through compulsory purchase, backed by an investor.

Critics of such proposals point out this could only ever be a solution for a handful of places and that the shopping malls model is not faring much better than high streets in the current economic situation. Indeed, one of the largest shopping mall landlords, Intu, collapsed in 2020 and others are carrying huge levels of debt while the value of their assets are falling. Ownership by institutional investors (public or private) tends to reduce the diversity of occupiers, squeezing out independents, which could make community ownership harder and limit the self-organising process that allows town centres to evolve to respond to changing circumstances.[79]

However, it is becoming increasingly common for local authorities to buy up town centre property. This is sometimes to generate an income from rents and sometimes to facilitate regeneration. Nottingham City Council, for example, have taken ownership of the Broadmarsh Shopping Centre following the collapse of Intu.

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[74] Brett and Alakeson. (2019). Take Back the High Street Putting communities in charge of their own town centres
[75] KPMG. (2015). Hope for the High Street A new model for delivering change
[76] Ibid.
[77] Ibid.
[78] Parmiter. (2014). Investing in the High Street: Town Centre Investment Management and its role in delivering change.

[79] URBED (Forthcoming) Tales of the High Street, 1851 Commission.

In Wigan, the council has bought the Galleries shopping centre for around a quarter of the price that they sold it for some years ago. Overall local authorities have spent more than £1.6bn on retail over the past five years, using cheap money from the Public Works Loan Board seeking to generate returns to top up local authority budgets decimated by austerity. In Bristol and Bath, the public sector is the largest high street landlord (head leaseholder) by number of shops by some measure, accounting for 94% and 79% of store ownership respectively.

Frome, Somerset

The town of Frome has a long history of community action, from the development and refurbishment of social housing and workspace in the 1980s. The town has become popular among new businesses, such as a company making electric bikes, there is a vibrant arts and events scene, and pre-Covid-19 it hosted the largest monthly street market in the South West in the summer months.

At the time the town was a pioneer in town centre management and the first manager was Julie Grael who later went on to launch some of the first Business Improvement Districts in the UK. She set up a vacant property schedule and got the landlords in the most badly affected area – St Catherines Street – to agree to flexible leases and a blanket 30% reduction in rents (higher discounts for hardship cases). Temporary children's exhibitions filled vacant shop windows, a Shop Watch Scheme was set up in liaison with the police and an area clean up scheme organised with the council.

To encourage independent shops to take on vacant units, a one-year retail grant of up to £2,500 was made available to cover capital start-up and decoration costs. Within 18 months vacancies on St Catherine Hill were down to 15%. Specialist arts, crafts and antiques businesses moved in, and the area was marketed as the town's artisan quarter, providing a catalyst for the development of the rest of the town. By the start of 2020 only 17 out of a total of 251 shops in the town were vacant, and three quarters of these were independently owned.

Much of this work has been driven by the Town Council, which has also acquired the Cheese and Grain music venue. They also have a partnership with The Guinness Housing Trust to develop housing on public land.

4. Deep dive case studies

Hackney Wick

History and context

Hackney Wick and Fish Island is an area located in East London. The area forms the South-Eastern part of the district of Hackney and North-Eastern part of Bow in Tower Hamlets.

The Eastern boundary of Tower Hamlets (Bow East Ward Profile - Tower Hamlets Council) is situated on the boundary of the 2012 Olympic Park and its community is facing substantial change as a result of major development and regeneration plans[80], the Olympic Park being one but also a number of new developments proposed by the London Legacy Development Corporation (LLDC), which replaced the Olympic Park Legacy Company in 2012.

During the 19th and early 20th century, Hackney Wick and Fish Island was a thriving and well-populated industrial zone and factory town with a welcoming, varied and rich resident community. But its post-industrial history is less successful. Declining industry and the erosion of much of its original urban grain structure and buildings (streets, terrace houses and industry) has resulted in Hackney Wick experiencing a number of major redevelopments that have changed, and are changing, the landscape of the area, affecting its existing communities.

Today the Wick Ward covers the area of Hackney Wick (and nearby areas) and at the 2001 census the population was estimated at 11,734, with approximately 4,802 households in Hackney Wick. Due to its thriving industrial past (and subsequent decline providing many affordable spaces) it has been long home to a large number of professional creatives, artists and musicians, partly attracted by low-cost studio space. But, in part due to investments and developments kickstarted through the Olympic Park, Hackney Wick and Fish Island is experiencing gentrification and a number of community-led projects are trying to safeguard the life and culture of the area.

Land and property markets

When looking at its land and property markets, Hackney Wick needs to be considered alongside its neighbour Fish Island as one entity as they share common opportunities and threats.

As this wider area sits across four municipalities, the land and development of Hackney Wick and Fish Island has been strongly stewarded and driven by the LLDC. This is mainly an outcome of the original development of the Olympic Park and the

[80] See https://mappingforchange.org.uk/projects/hackney-wick-community-map/ for more details.

establishment of the Olympic Park Legacy Company which led Hackney Wick to receive an influx of community and public realm development grants. For example the Draft Phase 1 Hackney Wick Area Action Plan was developed for consultation in November 2009 by Hackney Council as a strategy to guide and manage future change in the area.

Ownership of land and property assets within the Hackney Wick area particularly, is shared between Council and private landlords, the latter especially of industrial buildings and spaces that are still standing. The LLDC was formed as a mayoral development corporation under the power of the Localism Act 2011 and the mayoral development corporation area covers the Olympic Park and surrounding areas. It is required to work alongside landowners such as relevant municipalities and private owners, through the promotion of regeneration and new development.

While the LLDC brought an influx of investment it has also brought conflict with existing communities. This spearheaded the establishment of a number of community-led workspace projects in particular, such as Creative Wick and Stour Spaces to name a few.

Models of development in the social economy

Because the area is already rich in industrial history and in creative and innovative businesses, the existing communities in Hackney Wick and Fish Island have been exploring alternative models of development. These alternative models are also a response to private developer-led regeneration linked to the Olympic Park regeneration area.

Since the late 2000s and early 2010s a number of local residents and creatives have formed networks in an effort to preserve the cultural and creative value embedded in Hackney Wick and Fish Island's local communities.

Creative Wick, Stour Space (located on a former warehouse on Fish Island) and The Yard Theatre are two of the community-based social enterprises and organisations that have been working tirelessly to champion the existing communities of Hackney Wick and Fish Island.

Creative Wick was established in 2010. Its founding director formed the CIG (Cultural Interest Group, a local business and innovation network) and began forming a strong network of local creative businesses, institutions, stakeholders and individuals lobbying the three authorities (LB Hackney, LB Tower Hamlets and LLDC that cover the area of Hackney Wick, and Fish Island) to help preserve the work and innovation of these communities. Creative Wick's Cultural Interest Group offers a strong network of personal relationships, that continue to champion local authorities to develop policies that protect and support a sustainable and permanent creative economy in Hackney Wick and Fish Island. Their work has seen new policies implemented to do just this, by Hackney Council especially.

Stour Space was also founded in the early 2010s. One of its founding members, Neil MacDonald, together with other members, has been developing an economically sustainable model for Stour Space that has seen it becoming a thriving creative venue over the last decade, and that offers a packed programme of arts and community activities. Stour Space is able to adapt to opportunities and the need of its local communities and transforms its offer and its space for the activities of its hosts.

The Yard Theatre is a theatre and music venue in a converted warehouse in Hackney Wick. The Theatre reaches thousands of local people every year through programmes in local schools and in its community centres.

Community-Led Housing London (CLHL) supports community-led housing initiatives across London and was established through the GLA programme. It is hosted by CDS Co-op. Their work began in 2018 and has grown to support a number of projects, some within the Borough of Hackney. The organisation mainly focuses its support on small sites and small builders (or small community-led housing groups). CLHL hub is also able to access databases of sites secured within local authorities and through the GLA.[81]

Interventions

The establishment of the Olympic Park Legacy Company, and the original plans of regeneration within the Draft Phase 1 Hackney Wick Area Action Plan by Hackney Council, have led to the fundamental urban topography changes we see today in Hackney Wick especially. Fast forward several years and further plans for regeneration of the area were included in the LLDC's Supplementary Planning Document (SPD) which outlined a plan for further investment and regeneration which, although positive, also brought understandable fears of being priced out for many residents, and particularly artists.[82]

The SPD set out key area-wide priorities across a number of interventions: employment uses and locations; housing; infrastructure; public realm (open space and waterways); flooding and drainage; and heritage and townscape. The SPD highlights interventions in the Hackney Wick Neighbourhood Centre area with a number of community-focused facilities, but lacks detail on how these spaces would be facilitated for and by the community, and most importantly kept accessible and affordable.

The SPD moreover fails to make account for and support live/work accommodation models, often a successful model of community-led initiatives, and outlines regeneration and development through more traditional, private developer-led regeneration.

As a counterbalance the local creative and enterprise community of Hackney Wick and Fish Island was spurred over the last decade to create their own lobbying and promotion of spaces and interventions that can support community-led initiatives, Creative Wick is a particular example of this. The energy and co-ordination by

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[81] Community-led Housing London is supporting a number of CLH projects across London and these can be viewed and researched as useful case studies on their website. Read.
[82] LLDC. (2016). Hackney Wick & Fish Island Supplementary Planning Document. Read.

community-led organisations like Creative Wick has led to a number of councils moving towards a more positive interaction with community-led organisations, and changing or putting forward particular polices. For example, Hackney Council has helped "preserve Hackney Wick's creative soul"[83] and enabled the asset transfer of some council-owned buildings to community organisations, such as The Old Baths by Hackney Council, a building in Hackney Wick, which has been transferred to community management. In December 2018 the area of Hackney Wick and Fish Island was designated by the Mayor of London, Sadiq Khan, as a Creative Enterprise Zone (CEZ), following on from an initial award in 2018.

The formation of the CEZ aims to celebrate, recognise and support the unique creative community in Hackney Wick and Fish Island. But it is also important to note that such recognition and valuing of this community was originally championed by community organisations such as Creative Wick and Stour Spaces as they had provided a prototype model of a creative enterprise zone long before its official creation by the Mayor of London.

The efforts of such community groups and organisations have more recently progressed into forming a strong collective of informed and experienced individuals, gathering all the knowledge developed over the last decade on how to create a strong community-led offer. This has resulted in the establishment of the Hackney Wick and Fish Island Community Development Trust.[84]

Finance and governance

The establishment of the Olympic Park Legacy Company created the grounds for an influx of funding and investment to the area. While it benefited the area in terms of regeneration and drew in further investments over time, some of the original creative communities of Hackney Wick and Fish Island saw a lack of investment and support in preserving Hackney's "creative soul".

Stour Space was one of the original creative communities that managed to create a strong local economy, through the implementation of a number of creative-based initiatives and offers. Stour Space has been able to generate approximately £1m a year of revenue, fully reinvested into the local economy and in support of local communities. And while the Covid-19 pandemic has affected their income generation, they have been able to remain active and in business.

Worthy of note is that even though Stour Space has proved to be a sustainable business model for a community-led organisation around work and cultural spaces, the fragile relationship with the landlord of their building has not provided them with the property security they require and have instead been forced to look at new premises.

External funding and investments in the area have not been able to support existing local communities, especially with regard to safeguarding accessible and affordable community-led spaces. On the other hand, community-led

[83] Creative Wick
[84] See here for more details.

organisations such as Stour Space and Creative Wick have proven viable economically sustainable community-led models, but the lack of security around long-term safeguarded access to land and property continue to impact on the certainty of future business.

Financial investment vehicles will only enable community-led initiatives to thrive and to benefit local communities if they are supported by fair and just governance systems.

A financial and advice vehicle that offers a positive insight into how community-led projects can be supported is CLHL. The success of CLHL is that it offers not only advice and guidance but also grants. The CLHL hub is also able to access databases of sites secured within local authorities and through the GLA. CLHL is supporting a number of community-led housing projects across London and these can be viewed and researched as useful case studies on their website.[85]

Covid-19 impact

With regard to how the post-Covid-19 market settings may impact or not on the availability of land and property for community-led projects, it is important to note that London is quite unique in the UK and it is often not affected as badly as the rest of the country. Therefore, although Covid-19 has impacted negatively on existing communities and their work (and livelihoods) it is unlikely to have impacted land and property assets enough to warrant a change of attitudes.

[85] See here for more details.

Plymouth

History and context

Plymouth is a port city with a population of 264,000 (as of 2020). The city can trace its history back to the Bronze Age, with Sutton Harbour established in 1281 at the mouth of the River Plym. A series of defences have been built and strengthened ever since, and the Royal Navy have had a presence in the city since 1691 (it remains the largest naval base in Western Europe). During World War I, Plymouth served as a centre of munitions development. In World War II, Plymouth served as the headquarters of Western Approaches Command and was targeted during a series of bombing raids, referred to as the "Plymouth blitz", where over 72,000 homes and nearly every civic building was destroyed.

Land and property markets

Planning for the major redevelopment of the city, the Plan for Plymouth, created in 1943, was envisaged to encompass 140 miles that surrounded the urban core, in a city regional plan which planners argued offered an exceptional opportunity to create a new and modern city, with a grand new city centre. Ultimately constrained, the Plan for Plymouth served as a blueprint for the city centre well into the 1960's[86] and remained influential into the 1980s.[87]

Post-war reconstruction rebuilt the city centre according to modernist principles with grid-iron streets and a Beaux Arts design.[88] This new central zone, managed by the council as a single entity, meant persuading retailers to accept new sites under leasehold (rather than their former freehold).[89] Objections were made around what was seen as "land nationalisation", with arguments being made that the new city centre was too large and would be potentially unviable. The rebuilt city centre has recently been designated as a conservation area, celebrating English modernism.

Plymouth remains an important centre of military activity. However, more and more military space is being vacated and the contraction of military operations releases considerable tracts of land and property in Plymouth.[90] Prime regeneration sites, particularly in waterfront locations have been redeveloped over the years. The Royal William Yard, Mount Wise and Mount Batten Tower provide "historic architecture, open spaces and sea views" which made them attractive prospects for developers.[91] However, there are many significant heritage buildings

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[86] Essex & Brayshay (2005) Town versus country in the 1940s: Planning the contested space of a city region in the aftermath of the Second World War, The Town planning review 76(3):239-264

[87] Essex & Yarwood (2017) Changing places: the Armed Forces, post-military space and urban change in Plymouth, UK, Geography, Volume 102, 2017 - Issue 3

[88] Essex & Brayshay (2007) Vision, vested interest and pragmatism: who re-made Britain's blitzed cities?, Planning Perspectives, 22 (4), pp.417-441.

[89] Ibid.

[90] In 1981, around 15,000 people had been employed at the local naval dockyards; by 1997, that figure was down to around 4,000, where it has remained ever since.

[91] Essex & Ford (2015) 'Coastal urban regeneration: thirty years of change on Plymouth's waterfront', Transactions of the Devon Association, 147, pp. 73–102

that have not been attractive to developers, buildings away from the waterfront, with Grade I listings and with significant investments to be made in them. The Guildhall, St Xaviers Church and a WWII mustard gas decontamination unit which now houses a youth theatre group, are just some examples of buildings transferred into community ownership. The Citadel, built in the 1660s with 70ft high walls, currently the base of 29 Commando Regiment, is expected to be disposed of by the Ministry of Defence (MoD) by 2024.

In Devonport, 20 hectares of the town centre were requisitioned by the MoD after the war, placed behind a 3m high wall topped with barbed wire and converted into a storage yard.[92] The wall came down in 2007 and new housing development is beginning to stimulate an area that has suffered from high unemployment, poor quality and low demand housing, with high levels of commercial abandonment and dereliction.

Models of development in the social economy

The city has a long history of co-operative working. The Plymouth and South West Co-operative Society, known locally as Plymco, was founded in 1859. The society grew to a membership of 168,000 when merged with the larger Co-operative Group in 2009.

Throughout the 1970s and 1980s Plymouth's Co-operative Development Agency was responsible for supporting the development of a range of local organisations, renamed as Co-active. The organisation was dissolved in 2012, but key individuals that drove it are still active in the city, supporting the City of Plymouth Credit Union, for example.

Plymouth has developed a series of community economic development trusts over the past 30 years, with asset transfers of land and property providing a bedrock on which these trusts have been developed. The Wolseley Trust was the first. Set-up in 1996 it pioneered community-based asset development, managing community facilities and business parks to stimulate job creation. The Millfields Trust was established in 1999 to help regenerate the Stonehouse neighbourhood, with the transfer of a former Royal Navy Hospital site, converted into offices and light industrial spaces to rent.

Real Ideas Organisation (RIO) was set up in 2007, taking on the Devonport Guildhall in a community asset transfer and securing £1.8m to refurbish it from the Community Assets Fund. RIO opened a social enterprise hub in 2013 and supported efforts to get Cornwall designated as a Social Enterprise Zone.

Four Greens Community Trust was established in 2013 in the north of the city, in an area characterised by high deprivation, poor health care and low levels of local employment. The Council ring-fenced 11 assets to provide a means of supporting job creation and employment, whilst building community capacity in the north of the city. The leasing of the former Whitleigh Care Home (WCH) for a period of 35

[92] Essex & Yarwood (2017) Changing places: the Armed Forces, post-military space and urban change in Plymouth, UK, Geography, Volume 102, 2017 - Issue 3

years provides an HQ with a mixture of units to support business start-ups, along with a range of flexible community uses and a wellbeing hub.

There are around 200 social businesses in Plymouth, working across a wide range of sectors including education, health, arts, environment, food, finance, housing, business support, sport and social care. Collectively they employ around 9,000 people and bring in an income of over £580m. Plymouth's community economic development trusts have played a significant role in stimulating and growing the social economy, with their asset base serving as a foundation for social economy organisations to flourish.

Makers HQ, a fashion and textiles social enterprise is a unique collaboration between Plymouth College of Art, Millfields Trust and the local Stonehouse community. Makers HQ are reigniting fashion and textiles manufacturing in the city, operating from the HQ Business Centre, owned and run by the Millfields Trust.

Plymouth City Council helped to set up Plymouth Energy Community. Working with Four Greens Community Trust they have turned derelict land transferred from the local authority into a 4.1MW ground-mounted array, generating enough clean energy to meet the annual needs of more than 1,000 homes.

Livewell Southwest is an independent, award-winning social enterprise providing integrated health and social care services for people across Plymouth, South Hams and West Devon. This Community Interest Company provides adult social care services from the Four Greens Community Trust Wellbeing Hub.

Moments Café is a social enterprise based in the heart of the city centre, one of a few social businesses which are renting from a private landlord in the city centre. The café provides a safe environment for people to meet, eat and socialise, with all profits going towards Memory Matters which provides support for people living with dementia from the Memory Matters Hub, located above Moments Café.

Nudge Community Builders now own four buildings along Union Street in Stonehouse. Nudge is a Community Benefit Society set up in 2017 to bring buildings back into use. Through a range of finance mechanisms (from bridging finance to capital grants to community share offers) they have brought privately owned derelict buildings back into use, bringing a new café and a community market space to the street, with flats above the Clipper (a former pub) designed for single parents and their visiting children.

New, emerging models are developing in Plymouth. Vacancy Atlas (see case study) is bringing together those who need space with the owners of under-utilised buildings, and Nudge are developing a proposal for a Land Exchange (see case study), a community land bank that can de-risk the process of developing land and property for community benefit, retaining the uplift in values that result within the community).

Interventions

Over the past decade a number of interventions have reinforced the city's position as a social economy bright spot. Plymouth Social Enterprise Network, established in 2011, formed a supportive network around the city's social enterprises, promoting collaboration and building an effective support system for social purpose businesses in the city.

Building on the city's co-operative history, the Council took a leading role in the formation of the Co-operative Councils Innovation Network in 2013, taking over the secretariat role for this non-party-political active hub for co-operative policy development, innovation and advocacy.

Plymouth was the second place in the UK to be recognised by Social Enterprise UK for the scope, depth and activities of the social enterprise community in the city, in September 2013. The designation of Plymouth as a Social Enterprise City has supported a growth in investment and business advice schemes, raised awareness of social business models and has helped social enterprises become better understood and respected in the city. The Council employ a full-time social enterprise development worker, embedded in the city's economic development department.

Plymouth Council formed an inclusive economy unit in 2018, focused on embedding social enterprise and co-operative development into its local economic development approach. A city-wide Inclusive Growth Group has been exploring with the Plymouth Growth Board the development of an inclusive growth charter mark for Plymouth.

Doing it Ourselves is the City Council's strategic action plan to double the local co-operative economy by 2025.[93] When it was launched in 2018, the city had 23 co-operative societies turning over £18.5m within the city boundaries and between them, they had 9,500 members and 226 employees. The strategic action plan has five growth areas including "community owned infrastructure" with strategies to finance, support and inform the development of community-owned assets.

The city also has a social enterprise strategy – Plymouth: A Social Enterprise Strategy 2020 – 2025 – in which a high priority objective is to stimulate the development of a better policy and legal framework for community businesses and social enterprises to take on physical assets.[94]

Plymouth City Council's recently refreshed community asset transfer and use policy has been well received. it seeks to first offer assets being disposed of by the Council to social enterprises and co-operatives. In addition, any group can express an interest in assets and when a property becomes available it is matched to them. The policy had previously sat within the land and property department which managed leases. However, it was evident that they did not have the depth of experience to fully consider the social impacts that community or social business

[93] See here for more details.
[94] See here for more details.

use of an asset could bring for the city. Taking learning from officers across arts, culture and heritage, a new approach to asset management has been developed, with differential leases to tenants based on the wider value of the activity they deliver.

The Plymouth Green Estates Management Solutions project is exploring how new thinking can support and protect the future of parks in the city. One strand of the project, Enrich is focusing on how social enterprise and community business thinking can be used to find positive solutions to sustaining parks and is helping a number of park-based social and community businesses to start-up and grow.[95]

Finance and governance vehicles

Plymouth has brought in over £6m of investment and support for social enterprises in the city, from both local and national sources. This has seen organisations like Power to Change, Esmée Fairbairn Foundation, Rank Foundation and Big Society Capital investing in Plymouth, taking a placed based approach to funding.

Plymouth City Council launched its Social Enterprise Investment Fund in 2014 to create jobs and bring redundant buildings back into use in the city. With £2.5m allocated over four years, this offers organisations and businesses a mixture of capital loans (which are recycled) and grants to enable them to create opportunities and jobs. So far 30 businesses have benefitted from the fund, creating 160 full time jobs and it has brought in over £2m of match funding.

Power to Change chose Plymouth as their first Empowering Places area in the country as part of a 5-year programme which will see £1m invested to help the development of community businesses. Esmée Fairbairn Foundation have invested £1.25m in the city's social economy infrastructure and the Rank Foundation has been investing in emerging social economy leaders in the city via learning programmes, grants, internships and business support.

Covid-19 impact

There are concerns across the city that Covid-19 may impact on student numbers and, consequentially, property that is restricted to students may end up under-utilised, meaning the typical student housing stock in the private sector may see higher levels of voids. Student numbers had been falling pre-Covid-19, with a quarter less coming to live in the city and study. If Covid-19 precipitates a longer term and significant fall this will have a knock on effect for secondary retail property with a reduction in the local spend that students bring to the economy.

[95] Plymouth is one of eight UK places on the Enrich programme, the National Trust's and the National Lottery Heritage Fund's Future Parks Accelerator.

Sheffield

History and context

Sheffield is a city in the south of Yorkshire, with a city population of 585,000 and a metropolitan population (comprising of four local authorities: Sheffield, Rotherham, Doncaster and Barnsley) of 1,569,000. While the city's history can be traced back several centuries, it has largely grown from its 18th and 19th century industrial roots with the steel industry, both at small and large scale.

There were a number of innovations in the iron and steel manufacturing – namely the invention of the crucible steel process and the technique to produce silver plating (known as Sheffield plate) – that led to Sheffield's own industrial revolution, where the cottage industry played an important role, creating a collective of small, often family-run makers before the establishment of larger steel factories and manufacturing.

From this cottage industry, a unique collective of artisans and makers established in Sheffield known as Little Mesters, who were self-employed often renting small workshop spaces in small scale factories. Many of these buildings were located, and some still are, within or at the edge of the city centre. Little Mesters were known for making cutlery and other small items such as edge tools (for example tools for woodworking). While their presence declined over the years, the Little Mesters factory buildings remained in Sheffield and some have continued to operate as small-scale makers with a small but strong revival in the last few decades.

Sheffield's richness in creativity, innovation and can-do attitude can be traced back to this historical past. Over the last few decades, the city has also established itself as a centre of learning and research with its two major universities: The University of Sheffield and Sheffield Hallam University.

Land and property markets

Sheffield is also recognised for its modernist architecture, dating from the middle of the 20th century, especially through its large social housing building programme and housing stock. The renowned modernist estate, Park Hill, was recently partly acquired by Urban Splash and renovated for private market sale and rental, but much of the city's housing stock remains in Council, or housing association hands. Sheffield City Council has also implemented a big drive of city centre regeneration based around retail, to help the city rejuvenate following the decline of the steel industry in the 70s, 80s and 90s, encouraging mainly private development projects through asset and land sales, but still retaining a considerable land and property portfolio across the city.

Sheffield has focused its efforts on regeneration in the last 20 years especially by strengthening its tourism and retail attraction and knowledge hub – through the relationship with its two world-renowned universities. Sheffield reinvented itself as a cultural hub and destination, which kick-started a new wave of development and regeneration after complete stagnation of investment, especially in the 80s. The regeneration efforts have focused on the central business district and the Don Valley, Sheffield's original, heavily industrialised district located in the north east of the city.

The city has developed programmes such as Marketing Sheffield – Sheffield City Council's official destination marketing arm, with a clear focus on priority markets. Activity is aligned to the competitive city strategic outcome – ultimately leading to more and better jobs through economic growth – and city growth – focussing on enterprise, investment and the economy. One of its key remits is to support the development of SMEs and retention of talent, especially graduates from its universities. This is also supported by another City programme, RISE.[96]

Models of development in the social economy

While this approach has enabled Sheffield to attract commercial development to regeneration of its city centre and other areas, such as in and around the campuses of the University of Sheffield, some communities are still lacking access to facilities, job skilling and social mobility opportunities. With the efforts focused on regenerating and uplifting the image of the city centre, after years of disinvestment (economic decline of the 70s and 80s particularly), the city has also been experiencing gentrification with certain developments being criticised for being socially exclusive – Park Hill being one of the most written about case studies.[97]

But Sheffield also has a history of co-operative practices, with its first co-operative (The Sheffield Improved Industrial and Provident Society) started in 1865. This history, together with its strong heritage of makers and creatives, and a strong mutual aid outlook embedded in the people of Sheffield, means that there are many community champions who have promoted community wealth building by spearheading initiatives, leading to better opportunities.

One key example is Sharrow Community Forum, a community development trust established in 1997, which has worked tirelessly to strengthen communities in the Sharrow area of Sheffield, South West of the city.[98] The Forum was established by a number of residents who began to map and make enquiries to the Council about empty and unused properties and assets owned by the Council, and about a vehicle to transfer them into community hands. From this the Forum campaigned to take over the Old Junior School on South View Road, in Sharrow, when the Council was considering mothballing it, when it was not able to sell it for new build development. Instead the Forum has used it to create a hub and base for community activities and support.

[96] See here for more details.
[97] A Guardian article dating back to 2011 highlights when social exclusion in developments in Sheffield had begun to be criticised more widely. Read.
[98] See here for more details.

Over the years Sharrow Community Forum has delivered a number of projects such as:

- Made in Sharrow – a workshop open to all ages for members of the public to develop skills, improve their employability and be a space to meet people and have fun.
- Abbeydale Stakeholders – a partnership born out of response to rising levels of crime and antisocial behaviour in Sharrow and along the Abbeydale Road corridor.
- The Tea at Adventures – a social eating project that brings children and their families together. Delicious and healthy meals are offered free on Sundays in term time and 5 days a week during school holidays.
- Love Sharrow Conference – a free annual conference and event open to all interested in becoming active in and improving Sharrow and its surrounding areas.
- Highfield Adventure Playground – a play space adjacent to Mount Pleasant Park with a community hub that hosts a number of community-led activities and projects by the Forum.

Another example is Portland Works, a 19th century building located on Randall Street that was originally a purpose-built metal trades factory and is one of the few remaining of its kind. Most buildings in this area, known as the John Street Triangle, have been demolished or converted into flats and offices.

A group of people – from the Works, the local Sharrow neighbourhood and from other similar buildings – came together in 2009 to save Portland Works and secure its heritage status and value, and prevent it from being turned into flats and being left to further degrade after years of neglect. The time between 2009 and 2013 saw a community coming together, creating structures and governance and developing skills and knowledge to negotiate a successful agreement.

Portland Works is now a successful Community Benefit Society, that has been running as a community-led initiative since 2013. The efforts of the group that came together culminated in the landlord deciding to sell Portland Works to them rather than to a private developer to be turned into flats. Portland Works being owned by its members means its benefits go to the wider community as well as the members who have invested. However, the process undergone between 2009 and 2013 also show that community-led initiatives that require land and property assets in order to run and thrive take time and commitment by all parties, showing that municipalities as well as private land/property owners need to understand and support this process in order to facilitate long-term wider benefits for all.

Interventions

In order to overcome decades of decline and lack of investment, key agencies within the city promoted Sheffield as a hub of culture, art and knowledge, bringing a new legacy of development. There was an early investment in the Industrial

Cultural Quarter, which was a pioneering approach that many other cities in the UK copied. It brought residents and visitors with more disposable income into the centre, which led to successful regeneration but was also the start of displacement of some of the original communities – such as the Little Mesters (the same fate that many other buildings like Portland Works suffered).

In the 90s the city realised that the Council's cultural facilities were not going to be financed sufficiently, so it transferred all its cultural assets into charitable trusts. This saw the opening of the Showroom Cinema and the Millennium Galleries. The existing City Museum and Mappin Art Gallery were renovated, and Sheffield Theatres were able to achieve financial stability.

The city centre investment, while it brought successful regeneration and positive benefits, also pushed out existing communities which worked and contributed to the culture and life of the city and other communities located in the surrounding areas of the city centre saw a lack of investment.

However, the investment and other interventions by the Council came to a halt during the economic recession of 2008 onwards. A number of local communities seized this opportunity to petition the Council (and private land/property owners) to facilitate community asset transfers and community-led initiatives. Examples of this are Sharrow Community Forum and Portland Works.

Another prominent example of community-led projects for community accessible workspaces and social amenities is SOAR – a community regeneration charity that provides a range of services designed to improve people's health, well-being and employability.[99] SOAR Enterprises was established in 1999 to run the SRB5 programme (part of the Single Regeneration Budget funding programme that ran between 1995 and 2001) in the Southey Owlerton area, drawing people back into learning.

SOAR secured more than £4m through its trading arm to develop a neighbourhood enterprise centre as part of the wider regeneration and enterprise master plan for Parson Cross. The building is a social enterprise with all surpluses reinvested in SOAR's charitable aims, supporting deprived communities in north east Sheffield.

Finance and governance

Another large city intervention in the mid 00s was a partial housing stock transfer, which arose from a need to bring the Council's housing stock up to Decent Homes Standards. Approximately 12% of the stock (at the time) was transferred to housing associations and an arm's length management organisation was set up to manage the remaining properties (although more recently the homes have come back into Council management).

Sheffield implemented a different approach to engaging with their communities about the future investment in their homes. Whilst many other UK cities implemented one single approach to achieving Decent Homes Standard, Sheffield

[99] See here for more details.

Council wanted to empower local citizens to own the plans and be part of the decision-making process. As a result, 10 Neighbourhood Commissions were set up (one for each housing area) across Sheffield to explore the different options available to achieve decent homes. The end result was a hybrid of models, with some communities opting for stock transfer and some opting for the arm's length management organisation. Even within the neighbourhood commission area there was flexibility of choice, with part of the Area East Neighbourhood Commission opting for transfer and part opting for the arm's length management organisation. It proved very successful as it brought great participation and engagement with approximately 40% turnout of local residents in these discussions and decision-making, across the 10 areas.

The stock transfer process built upon the existing culture of tenants' management. Prior to the stock transfer there were already two tenant management organisations in operation, the Wisewood Estate Management Board and the ALPHA co-operative. Both these estates chose stock transfer, in addition to Shiregreen, parts of the Manor, Richmond Park and Birklands.

To help residents make an informed decision on whether transfer was the right option for their estates, the Council worked closely with nominated local residents to develop an "offer" document for each estate setting out what transfer would mean for them. They organised trips to other organisations to see and learn how transfer had worked and understand how tenants would continue to remain at the heart of the decision-making process. Tenant representatives sat on the interview panel to help make the decision on which housing associations their properties would transfer to. The legacy of this positive involvement of community-led participation is still present and evident today.

Covid-19 impact

Much of the regeneration strategy of Sheffield has been based on its retail and commercial city centre regeneration, which means the potential effect of the pandemic on people's shopping and working habits might be that more city centre commercial spaces can be repurposed, with community-led models of ownership taking a foothold. A possible change in models of development, to favour Sheffield's social economy, could take place if the use of the high street post-pandemic will favour social and civic uses, rather than just commercial and retail use.

5. Unleashing the potential of community asset transfer

In this chapter, we set out a range of approaches that could be taken to develop a national supportive framework to develop the practice of community asset transfer (CAT), in order to develop the knowledge and skills of both community developers and local authorities.

As Chapter 3 of this report demonstrated, community-led approaches to workspace, housing and high streets can act to counteract the extraction of wealth from local economies. However, in undertaking the research required to develop the deep dive case studies found in Chapter 4, we unearthed a range of common practical issues which inhibit their wider adoption. We believe that there is a particular opportunity to reinvigorate and develop the practice of community asset transfer (CAT) to support the growth of these alternative models for the development of land and property.

The following sections outline our learning and relate to the recommendations found in Chapter 8 of this report.

The importance of information

Land and buildings form part of local authorities' fixed assets and details of these must be published under the Local Authorities (Data Transparency) Code 2015. Most authorities hold an asset register for land and buildings and annually publish the overall value of their fixed assets as part of their statement of accounts. The Code makes it mandatory for local authorities to publish details of each land and building asset at least annually. However, the extent and quality of data captured and presented in asset registers varies significantly. Councils can of course hold thousands of assets, ranging from grass verges to art galleries and office blocks, and these are all recorded in asset databases. The challenge comes when trying to understand these assets beyond a line in a spreadsheet. What's the history of each of these assets? How are they being utilised currently? Where they are not being utilised, what are the reasons? What are the challenges with the land/properties? What are the restrictions? Does the council own the freehold and the leasehold title? Often, and quite understandably, this information is not readily to hand and takes significant investigation across many different council departments.

In order to facilitate decisions on which assets could be suitable for community use or asset transfer, a matrix of location, size, type and condition could help create this grading. Local authorities often don't hold a single visual map collating and showing the location of their land and property available for community use or possible asset transfer. A map-based database solution could support a better understanding of what may have the potential for community use and/or asset transfer. However, we need to remember that making this information more easily accessible would also support private sector interests. Could an audit of assets enable a "community right to bid" to be applied to whole swathes of the register, with only those assets then presented in a map-based database solution, supporting greater community access to information without giving the private sector further advantage? Sheffield, for example, already produces a commercial property register for private investment/developers, so why not a register for community developers?

Vacancy Atlas

Vacancy Atlas is an emerging platform for listing, matching and occupying spaces. Addressing the lack of access to spaces in the city for start-ups, community groups and organisations wanting to develop ideas, this social enterprise – a collective of urban activists, social engineers and architectural designers – works with individuals, community groups and organisations to source underutilised spaces and facilitate their occupation.

Vacancy Atlas works with those seeking spaces, providing information on the spaces available and how to access them, and also works with the owners of those spaces to identify ways in which they can be better utilised. They actively match people to spaces and create and publish listings for spaces on their website and social media accounts. They work with owners and potential occupiers to gain building control approval, oversee construction works/interior works so that spaces can be occupied quickly and the process is de-risked for all parties.

A planning or estates issue?

Most local authorities are broadly in favour of CAT but approaches to delivery vary significantly, with few designated staff leads and a reactive rather than proactive approach to CAT.[100] The need to generate capital sales receipts was cited as the most common barrier to asset transfer (88%), suggesting a conflict between asset management strategies which yield revenues immediately, and asset management strategies which yield social value over time in the context of austerity. A lack of human resources and political hesitation were the next most common constraints, with little space or political commitment to develop longer-term asset strategies that promote social value arguments and translate them into longer term public benefit.

In our research, comparisons were drawn with the one stop shop approaches of planning departments, with significant investment into systems and processes that route applications, inform departments and set timescales for responses. There is a presumption in favour of sustainable development at the heart of the planning system, and local planning authorities should plan positively for new development and approve all individual proposals wherever possible. If CAT was treated as a planning process first and an estates challenge second, would the outcomes look different?

To overcome political hesitation, CAT policies could be developed to support a period of transition, firstly into management and secondly into ownership. By breaking down the asset transfer process into stages it would provide opportunity to assess and reassess risk at each stage, identifying advice, support and training requirements along the way.

New skills and knowledge

New approaches to local community-led ownership require new skills and knowledge to identify opportunities and facilitate the process. This includes understanding the detail of how local authority departments work, including estates, planning and building control, as well as systems, including estates management, surveying, legal and insurance, parks and green spaces management – to name a few. Therefore, in any attempt to encourage and support diversity of ownership, investment in skills and capacity will be a pre-requisite of success, particularly at scale.

While there are many local avenues for getting advice and plenty of examples around the UK of training programmes for community-based groups, there does not appear to be a nationally recognised qualification for community ownership of public buildings. Perhaps a community asset transfer qualification (with mirrored courses for local authorities and communities) would help to bridge some of the knowledge and skills gaps. Such a qualification could demonstrate to local authorities that groups understand the processes they are seeking to engage in

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[100] Gilbert. (2016). A common interest: The role of asset transfer in developing the community business market. Read.

and have their eyes open to what's involved, with a nationally recognised programme providing a form of quality assurance which can help address the perception of risk.

Addressing perceptions of risk

In each of our deep dive case study areas there was a consistent message that the community sector does not operate on a level playing field with the private sector. Local authorities have a very different perception of risk when it comes to the community sector. The requirements placed on a community sector organisation are not mirrored in the private sector, where requirements around business plans and viability assessments are a fraction of those required of a skills, knowledge and resource poor community sector. While examples of failed community asset transfers reverberate through the corridors of local authorities for decades, examples of private sector failure, stalled development, and cynical land banking go unchecked and accepted as common practice, dictated by the market.

> A private developer can present a plan on a fag packet and it will be accepted. Private firms earn their stripes through failure.
>
> Community developer

All businesses exist within a specialist regulatory framework that is defined by the sector and business model. For example, a crèche that is set up as a Company Limited by Guarantee with Community Interest Company status and co-operative governance will be subject to the external or legislative regulations of crèches, Limited Companies and CICs, as well as the internal governance requirements of co-operatives. Common external regulators would include the Charity Commission, Community Interest Company regulator, Care Quality Commission, Ofsted, Companies House and the Financial Conduct Authority.

Despite operating within a clear regulatory framework, community developers are not taken as seriously as private sector developers and are held to a different set of standards. Some form of transitional and supported transfer process and a nationally recognised qualification (as above) could help support a shift in how a local authority perceives risk, but could changing how community developers present themselves to local authorities also help address these perceptions?

Presenting yourself as a serious player and on a level playing field may require work on both sides. Local authority members and officers may not be fully versed in the range of legal forms adopted in the sector, and so the unfamiliar brings a perception of a higher level of risk. While legal models could feature in a local authority version of the qualification proposed above, community sector groups could equally do more to demonstrate their collective skills and experiences, from the wide range of backgrounds and skills developed from staff, volunteer and board members (including other and previous roles), to the transferable skills gained from managing large scale projects or programmes. The "collective CV' of a community sector group would likely surprise many local authority officers and perhaps shift their perception of risk.

Peer networks

Our deep dive case studies highlighted a critical distinction between support and advice. The asset owning community sector groups we engaged with demonstrated no need for advice, with many suggesting that an overload of advice actually makes the whole process more difficult. The advice presented to community sector groups is also framed by a sector which itself is risk averse, further serving as a barrier to the process. It was suggested that we need to look at the environment in which advice sits and compare it with the advice the private sector developer is given if we are to start to level the playing field.

> "We can often be overwhelmed with advice but it's guidance we need. There are plenty of people that will just give you more and more problems and more and more to think about"
>
> Community developer

Due to the often-specialised knowledge and skills that are required (see above), community sector groups often do not know the right questions to ask of those advising them and "learning by doing" is often the most effective path to asset ownership. This, however, takes time and persistence, and not all groups will have the staying power to pursue an asset for what could be years and years. Success is therefore often shaped by either luck or the social capital and agency of those engaged, which may often preclude those most disadvantaged from taking control of land and assets in their communities.[101]

What the community-led sector needs is advice from the people in the sector who are doing it, those who have learnt by doing and can share their experiences and wisdom. Peer to peer learning networks can build the required expertise in a way that can be more readily accessed, using a database of those who have our proposed nationally recognised qualification, who have successfully taken on assets and have registered as a peer mentor. Progressive funders may recognise the value of such knowledge and provide resources for groups to engage with peer learning networks paying a fee for support, resources which would then ultimately be kept within the sector, supporting the sustainability of community owned assets.

Access to specific advice

Support providers fall into one of three categories - informal (e.g., friends and family), formal (mentors, professional advisors) and paid for (accountants, solicitors). When acquiring land, property and assets there is a reliance on paid for support and advice, and we have argued above for a need to level the playing field, which means we need to work with the same 'paid for' support and advice as the private sector. The challenge here is that these 'paid for' advisors do not always have the experience of working with the community sector.

In places where community ownership of land and property is well developed, we see examples of practitioner networks emerging with experience of working with the sector. In Plymouth for example, a number of professional support businesses around the city have built up experience of working on community asset transfers. But where should a community developer start if there is nothing to tap into in their locality? Alongside a register of qualified community groups and local authorities could sit a directory of support providers, who can demonstrate that they understand the specific needs of the social sector.

Finance underpinned by trust

Funding the initial phases of a community asset transfer or getting to the point of acquisition can be a very difficult process, and one that can stop many community-led projects from progressing at all. There are multiple reasons and barriers for this difficulty. The first major barrier is the heightened risk-aversity (as above) that many councils have towards most community-led projects and initiatives, due often from historical bad experiences. Councils tend to dismiss and keep at arm's length community-led proposals that require land and property transfer to happen. Because of this hesitancy there are relatively few grants made available to support community-led groups to produce initial feasibility studies to help them communicate their "proof of concept".

[101] See, for example, here.

Community-led development costs more money and takes longer than private development because of all the issues outlined above, leading to an increase in perceived risk. This then decreases the appetite of local authorities. Having specifically focussed funding can help, but it doesn't overcome all the issues.

> In practice it means that it is difficult to persuade colleagues to support a community approach rather than procuring a private developer.
>
> Local authority stakeholder

Funders have started to acknowledge these challenges and provide more flexible grants. Power to Change for example can offer "accordion" grants that can be drawn down quickly when someone needs it. Finance can often serve as a 'stop and start' in the process, so there is a clear need to have a funder that can support community-led projects to move quickly when they need to. The often on/off nature of projects requires high levels of trust between the community-led project and the funder which will take time to develop.

While much focus is placed on attempting to reduce the costs of land and property so that it becomes accessible, we should equally consider strategies for supporting local, social and community-based businesses to generate greater profits so that increased profits can be used to cover accommodation costs and help them to locate in the most suitable and profitable location for their operations.

Build the evidence base

Underpinning many of the common barriers is a lack of evidence of what works and why. This lack of evidence then shapes the approach to assets, and then to CAT policies. The lack of a collective evidence base for the sector prevents us from understanding where we need to build knowledge and skills and shapes perceptions of risk. It shapes the environment in which advice is presented to the sector and shapes how the sector accesses funding.

A sector-wide evidence base would enable the development of longer-term asset strategies based on social value and long-term public benefit. We have many individual examples of how community-owned assets can be transformative for local places, but where are the generally accepted return on investment values that would satisfy a risk averse authority? Social return on investment (SROI) methodologies have long been practiced but can fail to convince. The proxy values utilised are often too all-encompassing and extend beyond the direct materiality of the case in hand. Presenting social returns helps nobody if the information is not trusted.

Perhaps CAT can learn from the development of social value in procurement. The National Social Value Measurement Framework is a method of reporting and measuring social value to a consistent standard under headings of Themes, Outcomes and Measures (TOMs). The TOMs Framework was developed by the Social Value Portal and launched in 2017 and has been reviewed and endorsed by the National Social Value Taskforce. The National TOMs Framework is updated annually, building on feedback from users at different levels of maturity, and to reflect social value best practice and the evolving landscape of social value. Additionally, the Social Value Portal has developed a range of plug-ins for its online portal which accommodate specific needs, with a Welsh plug-in, a facilities management plug-in and a Covid-19 plug-in. Perhaps a CAT plug-in could be developed?

Not only do we lack the collective evidence of the impact CAT can have in a place, but we also lack the examples and good practice which can tell us about process. Local authorities could be doing more to collate and share their mutual experiences. Sharing precedent, for example, can help local authorities to mitigate risk, but we lack the mechanisms for doing so. Given that transferable learning on risk management is critical, what type of mechanism would be best suited to sharing this practice. Where are the local authority networks and forums for sharing good practice?

> “Precedent is helpful, it's always helpful to understand where has it been done before.”
>
> Local authority stakeholder

6. Planning reforms to level the field

While we believe that investing in the development of CAT can significantly support the development of alternative models of management and ownership, models which retain more wealth in the local community, this practice still needs to operate within the wider structures of society, structures that have so far facilitated the financialisaton of property markets.

The planning system has a key role to play because of the influence it has on the investment decisions of private developers. The question of land value capture has come to the fore in the UK in recent years. With the value of land affected by decisions made by the state (granting planning permission, investing in infrastructure etc), landowners can receive a substantial benefit, which is what Ebenezer Howard, founder of the English garden-city movement, which influenced urban planning throughout the world, called the “unearned increment”.

The legal basis for land value capture is the 1947 Planning Act which nationalised development land rights. The increase in value as a result of these land rights, as conferred through the operation of the planning system, is therefore a state asset. The logic is that the state should have the right to recoup at least part of this value to fund the costs of infrastructure that arise from the development of the land (schools, public services etc) and give it its value.

There are a number of ways in which land value can increase including:

1) Through increasing prosperity in society and the assumption that this will lead to increased spending on property.
2) Through state spending on infrastructure or on place marketing that makes a location more attractive, such as a railway line or a new school.
3) Through the granting of planning consent or the allocation of land for employment or residential use in a local plan.[102]

It is suggested that the state should have the power to recoup the increase in value in the second and third instances. In 2017 the average value of agricultural land was £21,000 per hectare while the equivalent value for brownfield land stood at around £482,000 per hectare. The average value of land with planning permission for housing in 2017 was £1.95m per hectare, potentially representing a value uplift

[102] Falk and Cheshire. (2020). Reforming Land Value Capture to improve our Cities. Read.

of £1.9m per hectare for greenfield sites and £1.5m per hectare for brownfield land.[103]

However, these uplift figures do not reflect the considerable investment often required by the landowner or developer, from building roads, remediating the site and providing infrastructure to social housing requirements, Community Infrastructure Levy contributions or other S106 contributions to schooling, public transport etc. So, while there is an uplift in value from a planning designation, there can also be significant costs.[104] In addition, the ratio of land value uplift to costs varies significantly depending on economic context and questions of viability. In areas of high demand, the speculative investor market can inflate land values making competition for greenfield sites intense and placing immense pressure on planners to allocate new land for development.

The planning system introduced in 1947 included the notion of Betterment Tax to enable the government to recover a portion of the increase in land value that results from granting planning permission. This was set at varying levels, (including at one point 100%). However, successive Conservative governments abolished the tax only for it to be reintroduced by Labour before it was eventually dropped in the early 80s.

In its place the Town and Country Planning Act 1990 introduced Section 106 obligations. These are legal agreements tied to planning consents that allow local authorities to agree developer contributions towards a range of costs that result from the development. The most common are contributions to education and social housing but S106 agreements can cover a wide range of issues. They remain an important potential vehicle for land value capture. The problem with S106 contributions is that they are market led, depending entirely upon land values. Areas with the highest values have the greatest scope for contributions whereas in low value areas, it can be difficult for planning authorities to make the case for S106 contributions (including social housing) because developers may argue that it reduces economic viability. This is compounded by the fact that there is often less competition for development in low value areas with planners depending on only one or two mass house builders.

Part 8 of the Planning Act 2008 also introduced the Community Infrastructure Levy (CIL). This was envisaged as a tax applied to development to be set by each local authority as opposed to individually negotiated S106 agreements. The problem once more is that this is regressive since affluent authorities are able to charge higher CIL rates without affecting development whereas many deprived authorities are unable to charge any CIL without impacting on development viability.

While the current S106 and CIL systems are imperfect and regressive in their impact on deprived communities, they can still be used as tools to capture land value for the benefit of communities. S106 agreements can be used to secure the development of affordable and social housing. This is normally vested with a

[103] Parliamentary Committee on Land Value Capture. (2018). Read.
[104] Dugdale Charles (2020) Land Value Capture needs a Rethink

housing association of the local authority but it could also be transferred to a co-operative or co-housing group. The same is true of workspace where S106 might seek affordable workspace or retail units that could be transferred to community run organisations. There are also examples where developers have transferred management to community-controlled bodies and even the ownership of common areas. The transfer of income generating assets can also provide revenue for community groups.

Planning gain tools (S106, CIL and Tax Increment Financing) are flawed in a number of further respects and depend on a healthy development climate to deliver, as they tax the developer at the point of development, a point when profits have not yet been realised. A better system would involve imposing a tax or levy much later in the development cycle, when the development has been completed and made profits, when planning gain arguments cannot then be side-lined by viability arguments and strict imposition by authorities cannot be argued to have prevented development.

Reform developer contributions

The 2020 Planning White Paper proposes to replace CIL with a proposed infrastructure levy that would be charged on the uplift in development value as a result of a planning application. This would be charged on the final value of the property when it is occupied with various thresholds. This has been welcomed by many people as a sensible solution because it taxes actual value increase although the impact will depend on the tax rate and will still be regressive in that the most taxable value will be in the most affluent areas.

Local land value capture

Land value can also be captured through direct intervention by local authorities. This was done by the new towns after the 2nd World War which acquired land at existing use value and then developed it for the new town using the increase in value to fund infrastructure. It can also be done by development corporations and local authorities using compulsory purchase powers. Work for the Greater London Authority suggested the introduction of land assembly zones within which local authorities would have compulsory purchase order powers if developers did not bring forward sites for development.[105] A similar model has been put forward for green field development through URBED's Wolfson Essay and even by the Letwyn Review commissioned by the last government.[106] [107]

Creative use of traditional planning tools

There is also scope to revive some of the more traditional planning tools. Just as planning creates value when permission is granted, so it can work the other way. A

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[105] Falk. (2019). Sharing the uplift in Land Values: A fairer system for funding and delivery of housing growth

[106] URBED. (2014). Uxcester Garden City: Second Stage Submission for the 2014 Wolfson Economics Prize. Read.

[107] Letwyn. (2018). Independent review of build out: final report

firm planning policy that reserves employment areas solely for employment uses can, for example, prevent speculation on the basis of potential residential values and therefore protect workspace for local communities. The same would then be true of land reserved for community-led development, protecting land from speculation. We need a reassertion of the importance of restrictions on change of use, which has been undermined by recent moves to deregulate the planning system.

Long term value

We understand that cash-strapped authorities need to maximise their income from property sales. However, the use of public land to support communities and regeneration should be looked at for the longer term. The legal constraints on the district valuer to secure best value provide a hurdle for the transfer of a large or high value publicly owned building or sites to community developers. Transferring public assets below best consideration requires a clear rationale and evidence that the social value created through the disposal justifies any discount on best consideration.

The legal constraints on the district valuer to secure best value can be a hurdle to the transfer of publicly owned buildings or sites since transferring public assets below best consideration requires a clear rationale. The value of these assets is, however, based on their planning designation and so a restrictive planning policy can help justify a lower valuation.

Transferring assets below value is a complex task and this is an area where best practice needs to be shared.[108] A local authority practitioner network could provide a supportive framework for asset transfer and dealing with issues of best consideration and state aid.

[108] While the Local Government Act 1972 General Disposals Consent 2003 ('the 2003 General Consent') states the council may transfer property at less than its market value provided that the purpose for which the land is transferred is likely to contribute to the promotion or improvement of the economic, social or environmental well-being of the area (provided the extent of any undervalue associated with a disposal at less than best consideration does not exceed £2m), the Commission Communication on State Aid Elements in Sale of Land and Buildings by Public Authorities still applies. Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 states that "When disposing of land at less than best consideration, authorities are providing a subsidy to the owner, developer and/or the occupier of the land and property, depending on the nature of the development". Authorities must ensure that the nature and amount of subsidy complies with the State aid rules, particularly if there is no element of competition in the sale process. Failure to comply with the rules means that the aid is unlawful and may result in the benefit being recovered with interest from the recipient.

7. Building patient financial architecture

While developing the practice of CAT and exploring how reforms to the planning system can start to level the field, we also need to address the demands of global capital that flow into and dominate our property markets.

We need to tap into sources of more "patient capital" to enable the acquisition of land and property at a scale which would give alternative models of ownership a real foothold. Government funding (e.g. the Community Housing Fund and Community Ownership Fund), Lottery money (e.g. the endowment to Power to Change) and philanthropy all play a significant role in supporting community ownership. However, even if these efforts were combined it would not be enough to really shift patterns of wealth.

Social impact investing

Social impact investing has become an increasingly popular avenue of deploying capital, satisfying investors' desires to have a social purpose whilst making monetary gains. The 2020 Annual Impact Investor Survey (GIIN, 2020) estimates the global impact investing market at $715bn.[109] In the UK the social investment market has been growing 30% year on year, reaching a total of £3.5bn in 2020, up from just £1.5bn in 2015.

Big Society Capital is the leading financial institution dedicated to social impact investment in the UK. Established in April 2012 with a £600m investment fund from dormant bank accounts, Big Society Capital operates via social investment finance intermediaries to invest in frontline community-led projects. In 2017 Big Society Capital made 19 investments with a combined value of £94m and made a net profit of £800,000, the first time it had recorded a surplus.

Social investment funds are often critiqued for their high interest rates in a financial climate where the base rate and therefore commercial lending rates are at rock bottom. However, the interest rates charged often reflect the portfolio of lending, and within Big Society Capital for example, 40% of investments are in unsecured debt, providing short-term debt for working capital, which is significantly riskier than investment in property, and which then drives up interest rates for all.

What is needed is a way to connect the patient, risk-bearing capital investment funds, those that are prepared to receive their return over a long period of time, with community-based developers. Research conducted by Shift has highlighted a paradox of low demand but significant latent need for patient, risk-bearing capital

[109] GIIN. (2020). Annual Impact Investor Survey. Read.

in the social sector.[110] Patient, risk-bearing capital in the UK is rarely demanded by social organisations and seldom offered by funders, particularly social investors.

Previous estimates from Big Society Capital suggest that equity-like products made up just 2% of the market in 2016.[111] More recent data suggests that only £26m of the £2.9 billion committed between 2016 and 2018 was provided through venture and equity funding, driven by demand-side barriers including awareness, understanding, and access to this type of funding.[112]

Shift's research highlighted that awareness of equity and quasi-equity funding is much lower than grant or debt funding, and the social sector in the UK does not completely understand how it functions or where it is appropriate for their needs, and often doesn't think they're eligible or know how to access suitable funders.

Closing this significant potential funding gap in the social sector could be achieved through tailored, market initiatives designed to increase the awareness, education, and access for each funding type and to boost the demand for patient, risk-bearing capital in the sector.

Institutional funds

Local authority pension funds represent significant institutional funds over which we should be able to redirect investment from global markets to local investments. With councillors across the land on the boards of pensions funds, they need to ask questions and consider how investment portfolios can be moved from global to local investments, from fossil fuels to local social and green economic activity. While all funds have a fiduciary duty to maximise returns for their members, the blend of risk profile clearly allows for investments with longer term, stable returns. Investment in community-led housing, community- led energy schemes etc can all guarantee stable returns over extended periods of time. There is also an increasing demand from consumers (pension holders) for their pensions to be invested ethically.

The market value of the Local Government Pension Scheme at end of March 2020 was £272.4bn, with 2 million employees contributing to the scheme.[113] We need to redirect these investments where possible so that they produce greater community wealth, but to do so we need to empower local authorities to demand this shift. Pension committees perhaps lack the confidence to challenge asset managers and local authorities often lack the skills and capacity to articulate, develop and lead the development of alternative financial investments for pension funds.[114]

The purpose-driven finance sector

A purpose-driven finance sector would be built from institutions that have a social and/or environmental purpose embedded within them. Dodds identifies five types

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[110] Shift. (2020). Beyond Demand: The social sector's need for patient, risk-bearing capital. Read.
[111] Big Society Capital. (2017). The size and composition of social investment in the UK. Read.
[112] Shift. (2020). Beyond Demand: The social sector's need for patient, risk-bearing capital. Read.
[113] ONS. (2020). Local government pension scheme funds for England and Wales: 2019 to 2020. Read.
[114] SPERI. (2018). The rationale for local authority pension fund investment decisions. Read.

of purpose driven finance institutions in the UK: credit unions (over 400 across the UK); community development financial institutions; Building Societies; ethical banks; and mutual banks.[115]

Our credit unions and community development financial institutions struggle to gain market share in an industry dominated by commercial banking. Lack of scale translates into lack of capacity and lack of awareness among the general public, which means that these institutions, where they exist, need to be supported. Local authorities and key public sector anchor institutions can, for example, develop and promote payroll savings schemes, support these institutions with access or information points in public buildings and generally support them as a key part of a local purpose-driven finance sector which can build scale so that it can lend capital for community ownership of land and property.

Building societies (of which there are 43 in the UK), which grew out of 19th century co-operative savings groups, are mutual institutions whose statutory principal purpose is to make loans. Community and social purpose are the bedrock of building societies, established to support their members, local people and places and to secure ownership of land and property. Building societies need to work with community organisations and build the networks and relationships that can help areas to thrive and sustain the vibrancy of their communities.[116]

There are several ethical banks which operate in the UK, Triodos Bank being the largest with 76,878 accounts. It serves individuals, organisations and businesses with current accounts, lending and savings. It, along with Charity Bank is a member of the Global Alliance for Banking on Values, an independent network of banks and banking co-operatives that use finance to deliver sustainable economic, social and environmental development. 76,878 accounts however, represents just 0.01% of UK market share. How many of our anchor institutions themselves are using ethical banks?

Local banking movement

Following the 2008 financial crisis, British banks received a £500bn bailout, alongside new regulatory arrangements. This was a perfect opportunity to reshape our banking system so that it served local communities and supported the “real economy” (the production, purchase and flow of goods and services). It should have led to more credit being made available to local SMEs and those working in the social economy. What actually happened is the credit supply shrank.

The large national or international banks have relatively little knowledge or interest in local businesses or local areas’ needs. Post-global financial crisis, banking has reoriented away from trading and complex activities, towards commercial banking. The UK banking sector is dominated by commercial banks – 82% of the sector, compared to 45% in France and 36% in Germany.[117] Germany’s banking system comprises three pillars — private commercial banks, public-sector banks, and co-operative banks — distinguished by the legal form and ownership structure. Public

[115] Dodds. (2020). Barriers to growing the purpose-driven banking sector in the UK. Read.
[116] BSA. (2019). Reinvigorating communities: Building societies’ social purpose in action. Read.
[117] Singh. (2020). How banks must change to level-up Britain. Read.

sector banks represent 26% of total banking assets and have local governments as their guarantors/owners and their business is limited to the area controlled by their local government owners. The co-operative sector consists of 842 co-operative banks and 18% of total bank assets. Co-operative banks have a regional focus and are subject to the regional principle.[118]

Today, in the UK a local banking movement is starting to develop, with a number of organisations in the process of establishing mutual or local co-operative banks, having registered with the Financial Conduct Authority. The mutual banking movement in the UK has its roots in the Community Savings Bank Association, which was set up to call for the creation of 18 regional mutual banks.[119] The most advanced of these are South West Mutual and Avon Mutual, but Banc Cambria has had initial seed funding from the Welsh Government and is currently developing a road map to launch. The North West Mutual is the latest body to be established with councils including Wirral, Liverpool and Preston, with the "Preston Model" at the heart of its approach, collaborating on a bank for the region.[120]

Growing local purpose-driven finance

Place-based leaders have a duty to explore all the levers at their disposal to support the growth of a locally anchored, purpose-driven finance system. We should all (communities, institutions, private business) be looking at where our money is, understand and support the initiatives that already exist, and develop plans to build our collective knowledge, skills and capacity to build a local financial architecture that serves our places.

The emerging mutual banks will provide a new and distinct offer that will both challenge mainstream banks and contribute to regional economic development. But how do we complement this with an active harnessing of the social impact investment market? And combine this with a reshaping of the investment priorities of our institutional funds and deeper engagement with the purpose-driven institutions that already exist?

How do we harness new technology and new platforms to support community ownership of land and property? Platforms such as the Tridos Crowdfunding platform offer individual investors the opportunity to invest directly with organisations working for positive social, environmental or cultural change.[121] Abundance Investment on the other hand supports local authorities to build community municipal investments which have, this far, supported the building of new rooftop solar in West Berkshire and are supporting Warrington to become a carbon neutral town.[122] These new emerging financing mechanisms could clearly support greater community ownership of land and property and build community wealth.

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[118] EBF. (2020). Germany's banking sector: Facts & Figures. Read.
[119] Dodds. (2020). Barriers to growing the purpose-driven banking sector in the UK. Read.
[120] Singh. (2020). How banks must change to level-up Britain. Read.
[121] See here for more details.
[122] See here for more details.

Land Exchange, Plymouth

Nudge Community Builders, along with the Millfields Trust, are working to revitalise Union Street, Plymouth, by acquiring under-utilised and abandoned buildings along the main road. As they stimulate investment along the street, bringing buildings back into use, the people who stand to benefit most as land values increase and the market improves are the people who have left their buildings empty and neglected them for so long.

The activities of Nudge and the Millfields Trust have already increased the value along the street by up to 50% in three years, and Nudge have lost out on buildings that have been bought by investors, who have then left them empty.

The Land Exchange proposal is exploring a way of acquiring land and buildings that have been standing empty or those that come to market that could contribute to the street and the community. The Land Exchange would be a patient capital investment fund that could be used to acquire and hold land and property, creating an entity that can obtain grants and secure investment to acquire properties as they come to market or progress towards compulsory purchase. The Land Exchange would have the required skills and understanding of the processes required so that it de-risks the process for community groups/social businesses and investors.

It would support those who don't have a background in land and property, or the experience of negotiating the process which can take years, even when everyone agrees it's a good idea.

The Land Exchange could be an exemplar of how the economy can operate in a way that favours the common goals rather than for private extractive gain. The ambition is for Union Street to be the first street in the country with more than 50% of buildings community owned and 75% of businesses being social enterprises or purpose led businesses – a national example of what a future high street could achieve.

8. Conclusions and recommendations

We know that community ownership of land and assets allows a far greater proportion of land value to be retained locally. It gives a sense of control and permanence and provides protection for the community from increases in costs and rents and from the effects of gentrification. It means that members of the community can't be evicted or bought-out and may even be able to benefit from increasing values and rents to generate income.

If we are to truly level up our communities, land must be understood as much more than a commodity. A long-term vision, in which all land use is progressively directed towards achieving social well-being and environmental sustainability with genuine financial return for local communities should be the ambition. A national land commission for England and Wales, such as that launched in Scotland would perhaps be the best starting place for embedding such a vision. In the context of recovering from Covid-19, it will be particularly important to prioritise the use of land to support public health and wellbeing, and wherever possible, questions around land should be approached through the prism of recognising its true social, economic and environmental potential.

There was a “golden age” of community ownership in the 70s and 80s particularly in the community housing and workspace movements. This was the period of community workspace organisations like the North Kensington Amenity Trust (which developed the space under the motorway in Hammersmith), Coin Street Community Builders and Hackney Co-operative Developments. There were similar organisations all over the country that were able to thrive because land and buildings were cheap and often vacant, and public authorities were only too happy to see them occupied. The same was true of housing co-operatives that could buy up vacant sites and homes and which benefited from generous grants from the Housing Corporation.

The situation now is very different. In many parts of the country land and buildings are expensive and competition for them fierce. The supportive infrastructure of development agencies, housing associations and dedicated council support has been dismantled and the grants have dried up. Despite initiatives such as the community right to bid, the ability of communities to secure assets has become very limited and community initiatives are therefore insecure, vulnerable to eviction and starved of resources. In Scotland, community right to buy provides a pre-emptive right to buy land under the Land Reform (Scotland) Act 2003.

There are exceptions, as we have seen, in places like Plymouth and Sheffield (particularly in some areas of the city, where empty and rundown properties and land is more prevalent) where property can be relatively cheap and where this is matched with significant effort being put into (re)developing the required support mechanisms and where community ownership of land and property form part of a broader strategy to build local community wealth.

But we also need to be careful and should not assume that community empowerment can solve all local problems. As community action becomes more difficult, it will tend to be found increasingly in middle class communities. There is an inverse relationship between community capacity and need. Often the communities with the greatest problems have the least capacity for community action.

We should recall the roots of local authorities, housing associations and even building societies as community bodies. These institutions are ways of aggregating community power to benefit everyone rather than just those who can help themselves.

Recommendations

Unleashing the potential of CAT

The arrival of the government's Community Ownership Fund provides an opportune time to invest in and build the supportive infrastructure around CAT so that it enables community developers to overcome challenges and level up local communities. Key national organisations such as Locality, the Co-operative Councils Innovation Network and the Social Value Portal would be well placed to work closely with the government to develop such a supportive framework.

The following recommendations are based on our learning discussed in Chapter 5. They build on the range of existing provision and learn from developments in other sectors to level the playing field with private development and provide a national CAT network structure (see Figure 11).

1) All local authorities, as part of their duty to produce an asset register, should grade assets where they are suitable for CAT.
2) Local authorities should provide a standardised approach to CAT, underpinned by local plan processes.
3) A nationally recognised CAT qualification for community groups and local authority officers/planners, supported by professional bodies such as the RTPI/RICS, should be developed to provide a form of quality assurance which can help address the perception of risk.
4) A peer-to-peer community learning network, for asset seeking community groups, structured around the proposed qualification, could provide the type of guidance that so many find difficult to locate.

5) A local authority officer network could provide a space for nominated CAT leads within local authorities to come together, inspiring leadership and challenging barriers through the sharing of practice and learning from each other.

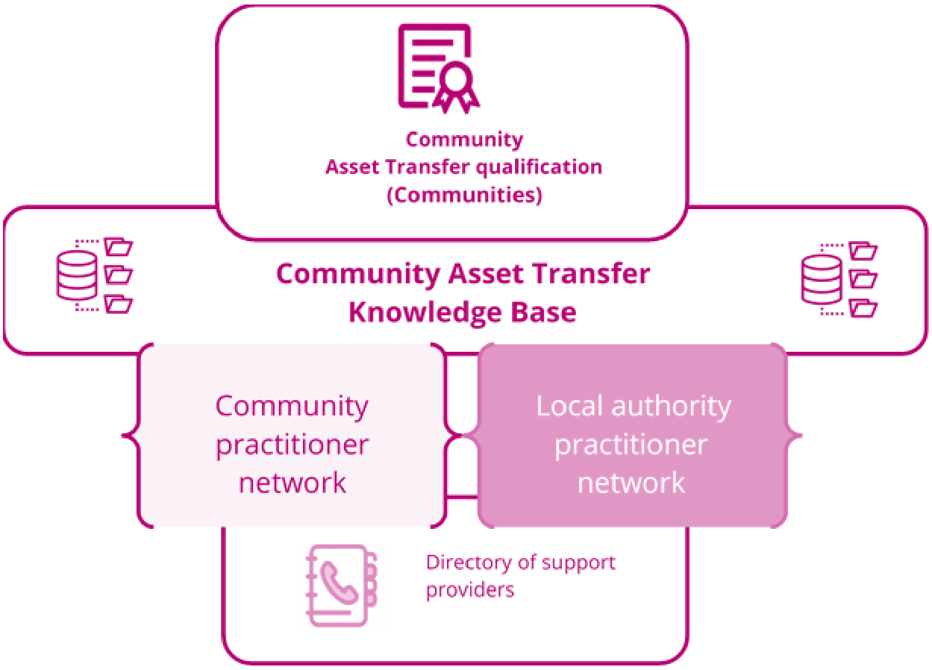
6) Further research should be undertaken into developer engagement in CAT, exploring in the context of planning reforms how they may support the process locally.

7) A directory of formal support and advice providers (inc. peer mentors) who understand the specific needs of the social sector should be developed.

8) A learning repository should be established for both community and local authority networks to start to build a nationally recognised, sector wide evidence base.

9) Learning from the development of the social value agenda in procurement, social value procurement tools, such as the National TOMs model should be developed so they accommodate CAT.

Figure 11: national CAT network structure



Planning reforms to level the field

Investing in the development of CAT could significantly support the uptake of alternative models of land and property development. However, this practice still needs to operate within the wider structures of society.

The planning system has a key role to play and the following recommendations are based on our learning discussed in Chapter 6.

10) A coherent system for land value capture is required as part of the planning system based on the infrastructure levy proposed in the Planning White Paper. This needs to contain a process to overcome the regressive nature of land value taxation.

11) Local authorities should use the development management process to secure community assets. This could include community centres, retail or workspace and co-operative/co-housing with land and possibly premises/resources provided by the developer and managed by the community.

12) Local authorities should play a more proactive role in acquiring land for development at existing land use values, enabling them to play the role of master developer. This will help secure the land value for the public good for the long term.

13) Planning should be used to protect established community uses and to promote the future use of land by the community. It can also be used to protect existing community assets, green space and employment areas as well as requiring the provision of social housing. This will all have an impact on land values.

14) We need to move from a system of community right to bid to that of community right to buy, as in Scotland.

15) When selling land, the District Valuer should be allowed to take account of wider community benefits and long-term value when considering best value to facilitate CAT.

Building patient financial architecture

While developing the practice of CAT and exploring how reforms to the planning system can start to level the field, we also need to address the demands of global capital that flow into and dominate our property markets. The following recommendations are based on our learning, discussed in Chapter 7.

16) Organisations which represent the social impact investment market in the UK (such as Fair4All Finance) could lead the development of market initiatives designed to increase awareness and education around patient, risk-bearing capital in the sector.

17) Local authorities who have convening power should seek to bring together key local stakeholders in place, to understand and explore the local levers of financial power, with a remit to identify how the existing financial architecture is, or is not, serving its place.

18) A local financial power working group could be set up to identify where there are gaps in knowledge, skills and capacity and could bring in learning from elsewhere to develop a collective action plan for supporting a locally anchored purpose-driven finance sector.

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