



power to
change

business in
community
hands



HOMES IN COMMUNITY HANDS

Summary Report

A report produced by the Centre
for Regional, Economic and Social
Research (CRESR) and the University
of Liverpool

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Introduction

Power to Change was created in 2015 with an endowment from the National Lottery Community Fund. The organisation’s principal aim is support community businesses in England. In 2017 Power to Change launched its Homes in Community Hands programme, to support the development of community led housing (CLH). This would focus primarily on five urban areas across the country. The programme has provided funding to help plan and develop affordable housing projects to meet community needs. It has also provided grants to enabler organisations in the five areas and contributed to other investment and funding mechanisms.

Through this activity the Homes in Community Hands programme has played a significant role in the growth of the CLH sector in England. The programme has made grants in excess of £5.1m, providing 60 individual grants to 44 different organisations. This funding can be categorised into three types; grants to CLH projects, grants to CLH enabler organisations, and grants/investments for other funding and finance models.

In sum, the programme has supported - in varying forms and to different extents - the planned development of between 4,000-5,000 homes. The vast majority of these are yet to be completed however, and as we show, there are a number of factors which may hinder their development.

Figure 1: Total grant making

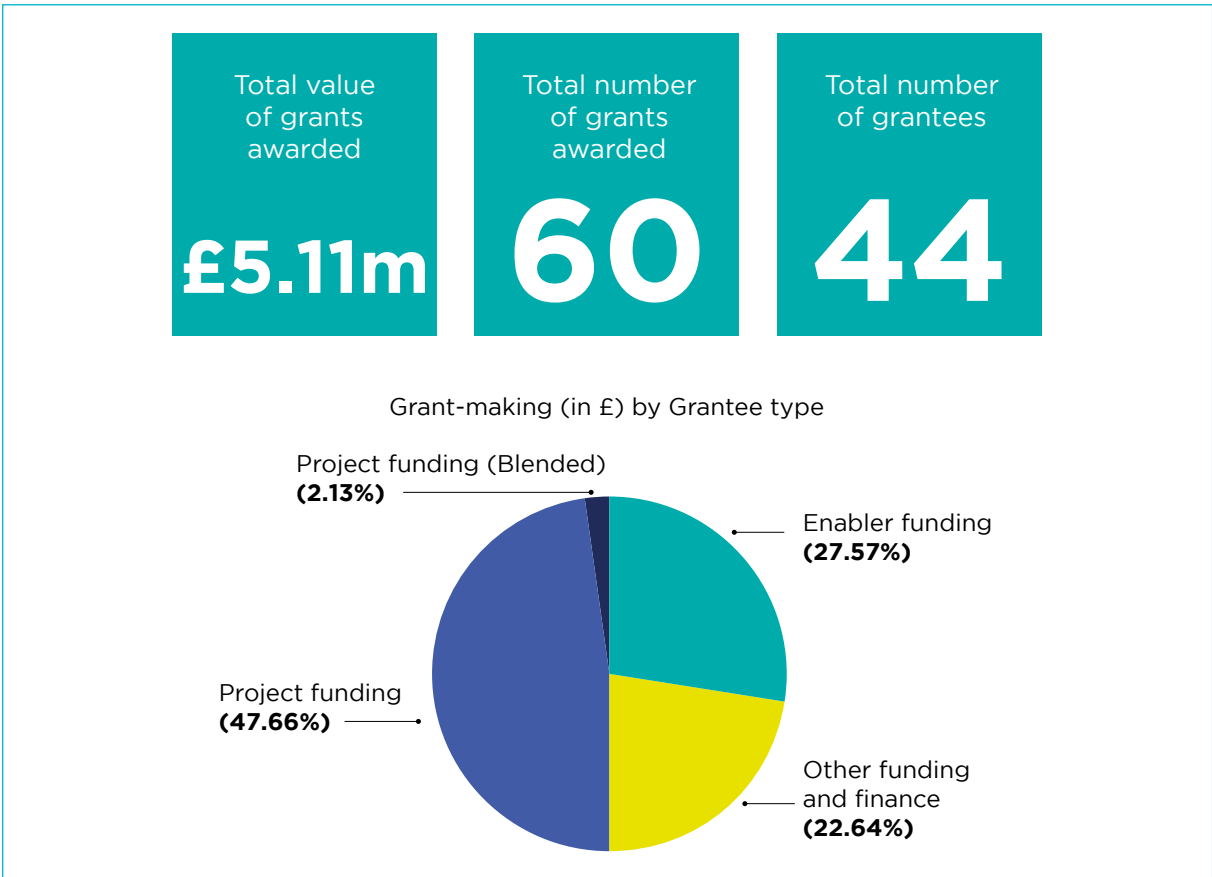
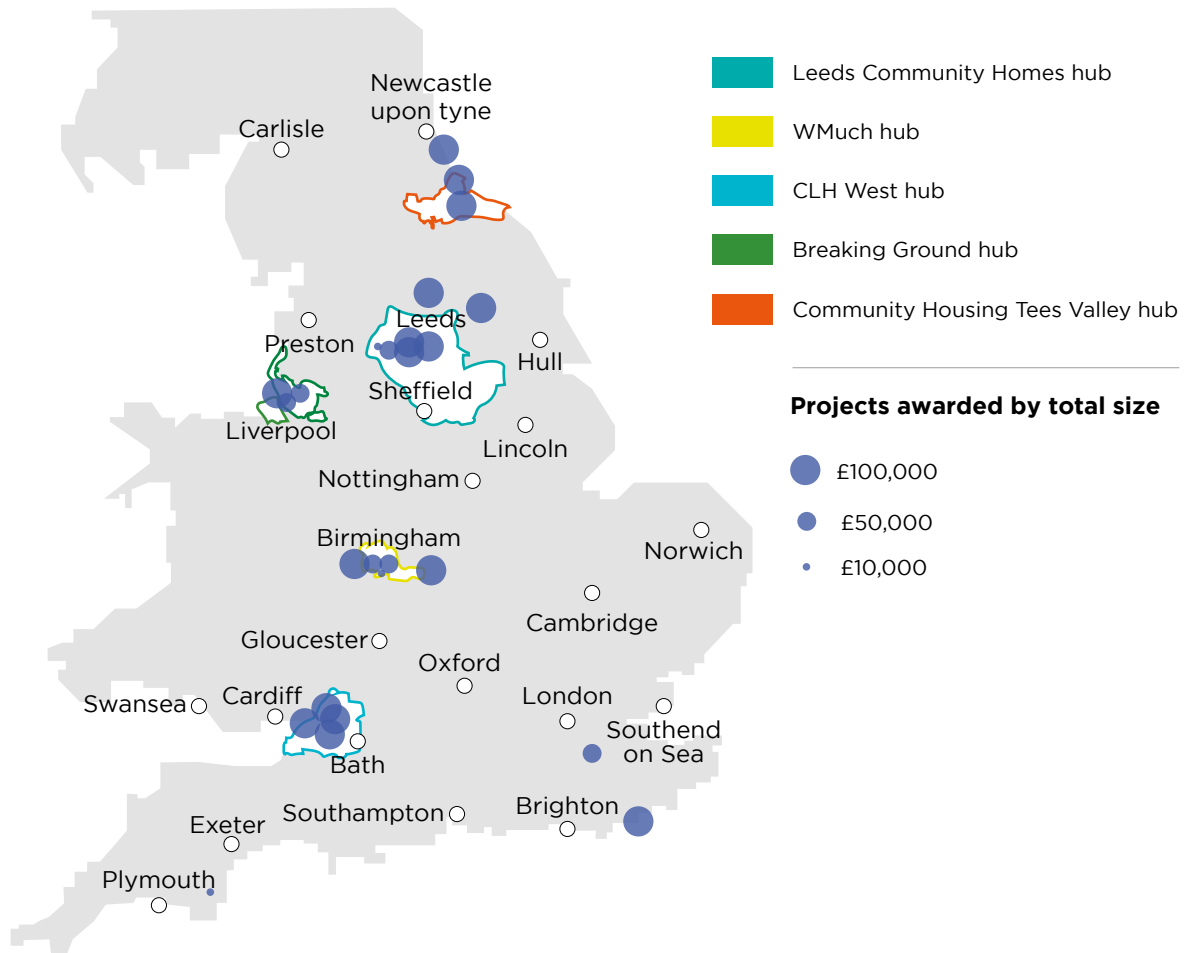


Figure 2: The geography of grant making



Building on research published in [2020](#) and [2021](#), our year three report summarises findings on the programme’s outcomes and impacts. It uses a theory of change – developed at the start of the evaluation – to assess the outcomes and impacts arising from the work of grantees, and explores the programme’s contribution to these. Based on a range of qualitative and quantitative research methods, the report finds evidence of emerging and future impacts, which may deliver a diverse set of benefits to the communities concerned.



Impacts and outcomes of community-led housing projects

The programme has awarded 42 grants to 37 CLH projects, totalling £2.5m in value. These projects – which are different stages of development¹ – aim to create 1,350 new homes with the bulk of these planned for completion by 2026.

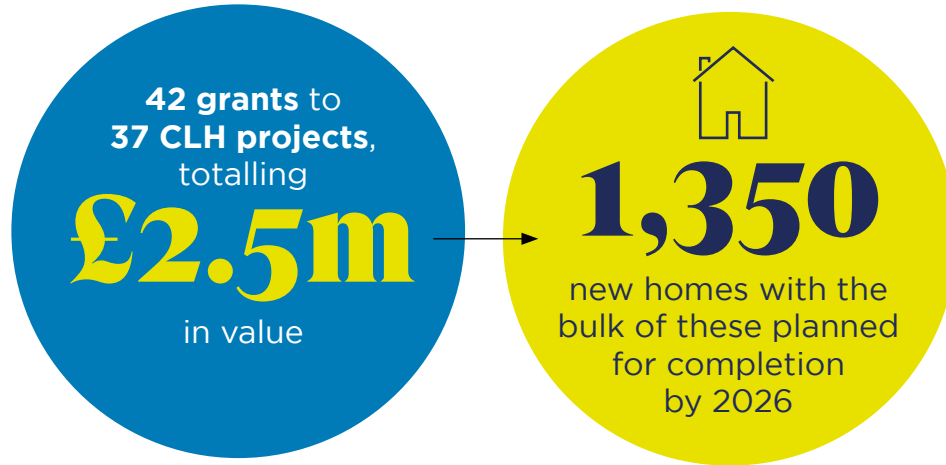
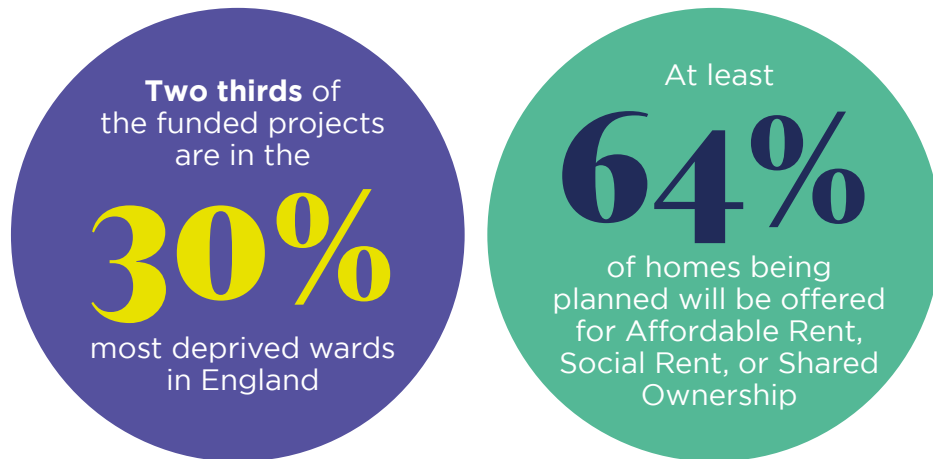


Table 1: Planned homes by stage of development

Stage	Number of planned homes	% of homes by stage
Group	306	23%
Site	432	32%
Plan	453	34%
Build	101	7%
Live and other stages	50	4%
Live	8	1%
Grand Total	1350	100%

Significantly, two thirds of the funded projects are in the 30 per cent most deprived wards in England. Evidence shows that the projects funded by Power to Change will make a significant and broad contribution to affordable housing provision. Data on the homes being planned shows that at least 64 per cent will be offered for Affordable Rent, Social Rent or Shared Ownership. Moreover, **grantees expect to deliver significantly higher levels of affordable housing per scheme (76-80 per cent of homes created) than the typical development project funded by the Government’s national Affordable Homes Programme.**

¹ Community Led Homes uses a model of development stages which depict groups as starting with an ongoing process of ‘group’ formation, transitioning onto the ‘site’ finding stage, then to a ‘plan’ phase where planning permissions are sought if required, and then onto a ‘build’ stage. Once homes are completed this is called the ‘live’ phase.



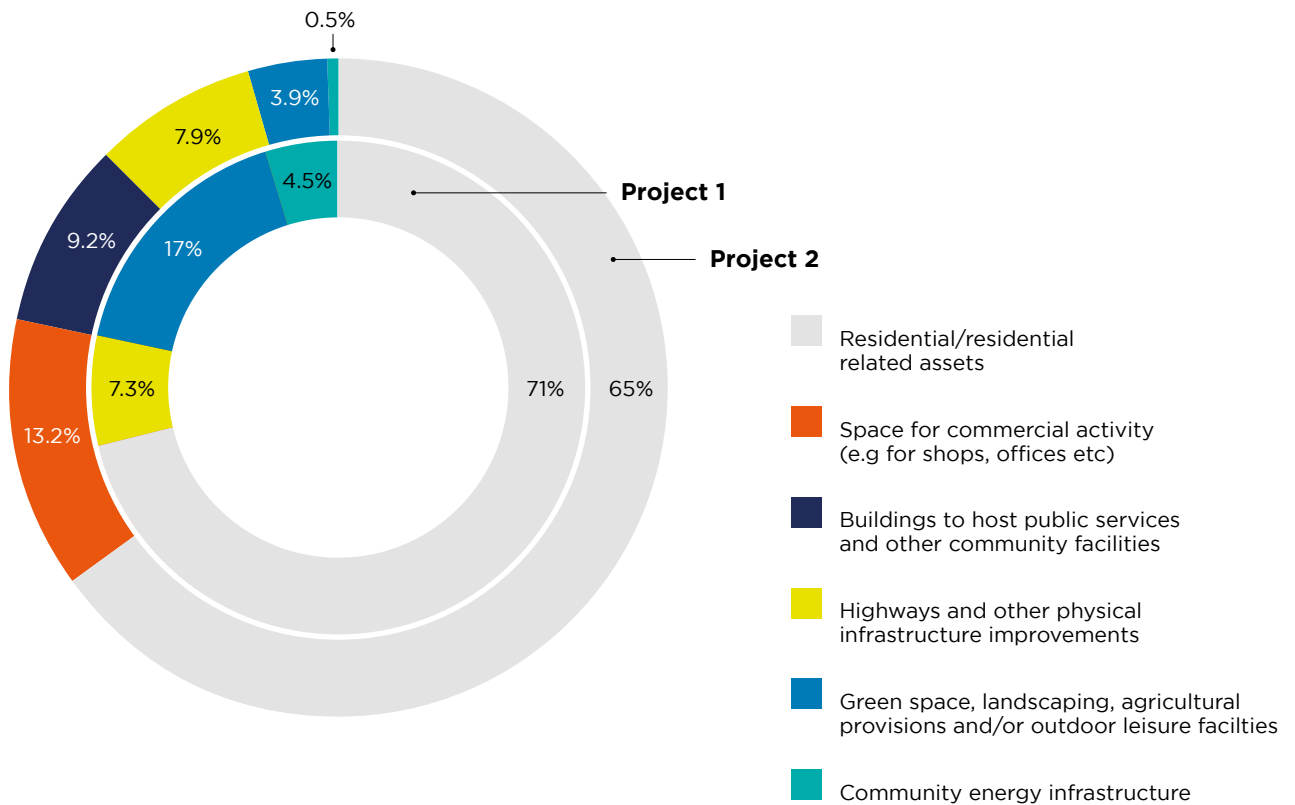
The homes developed by grantees may also produce major benefits beyond housing. In qualitative interviews, grantees highlighted the ways in which their projects often form part of broader initiatives that focus on **neighbourhood regeneration, environmental sustainability, and involve high levels of community involvement, including opportunities for local employment and training**. In addition to provision of affordable homes for those in need, projects funded through Homes in Community Hands are likely to have significant and far-reaching impacts on people and place beyond the direct beneficiaries of new housing. As one interviewee noted, in reference to their forthcoming development,

‘...our project will be a way to improve the infrastructure and built environment whilst making sure low-waged current residents aren’t driven out, and I think this is a virtue of democratically run organisations like ours.’

(SCD project informant).

The potential for varied outcomes beyond those associated with housing was evidenced in the detailed financial plans of two funded group, showing significant planned expenditure on non-residential components (see Figure 3). This shows future investment in; commercial space, facilities for the wider community and to host public services, physical infrastructure improvements, enhanced green space and leisure facilities, as well as investment in community energy provision.

Figure 3: Distribution of non-residential expenditure in two example grantee project



Project grantees benefit from local leadership, with board members and representatives often drawn from the local neighbourhood. This local embeddedness was complemented by important external advice and support from enabler hubs and Registered Providers. It was felt that enabler hubs have built local ecosystems of support, making different types of formal and informal support more accessible and readily available to local projects on terms that they are comfortable with.

Project grantees have encountered challenges that have delayed or affected the realisation of impacts. The availability of finance has been a particularly significant challenge. Grantees really valued the funding from Power to Change and often deemed it to be crucial to their progress. Many had used it to leverage other funding, including through Community Share issues. However, the end of the programme and variable access to the Community Housing Fund highlights the fragility of projects to changes in the wider funding context. Reduced availability of grant funding makes it less likely for innovative CLH projects to develop in the future.

‘These groups don’t have paid staff, or if they do they’re stretched... Being able to go and say to groups: “it’s ok, don’t worry about that, here are your options”, that support of an additional resource, someone to talk to as a sounding board, is incredibly valuable and helps to re-energise.’

(CLH Enabler, Breaking Ground)

Impacts on funding and finance

Homes in Community Hands funding has supported the development of other funding programmes. In partnership with the National Community Land Trust Network (NCLTN), a Cohesive Communities Fund was devised with a focus on inclusion, equality and diversity. **This provided funding to 16 projects, each receiving up to £15,000 plus £5,800 for technical advice services.** Grantees used the funding for online and in-person engagement activities, reaching out to diverse audiences, enhancing consultation exercises, undertaking local housing needs assessments, and supporting other projects being developed by minoritised groups. While the Covid-19 pandemic limited the scope of some of the intended activities, spin-off activities have emerged including peer research programmes on diversity and inclusion, and a new research project looking specifically at black and minority ethnic community leadership of community land trust projects. One outcome of this work has been the increased profile of equality and diversity issues in CLH, creating the potential for CLH to impact on a diverse set of beneficiaries in future.

Programme funding also helped to capitalise CAF Venturesome’s Community Land Trust Fund II, and subsequently support the development of their CLH Fund. Both funds have provided pre-development support and development finance, but the CLH Fund has also provided unique support to raise community shares, created a land purchase facility and offered loan funding for enabler hubs. With Power to Change’s contribution, these funds are supporting projects which have the potential to create 289 new affordable homes.

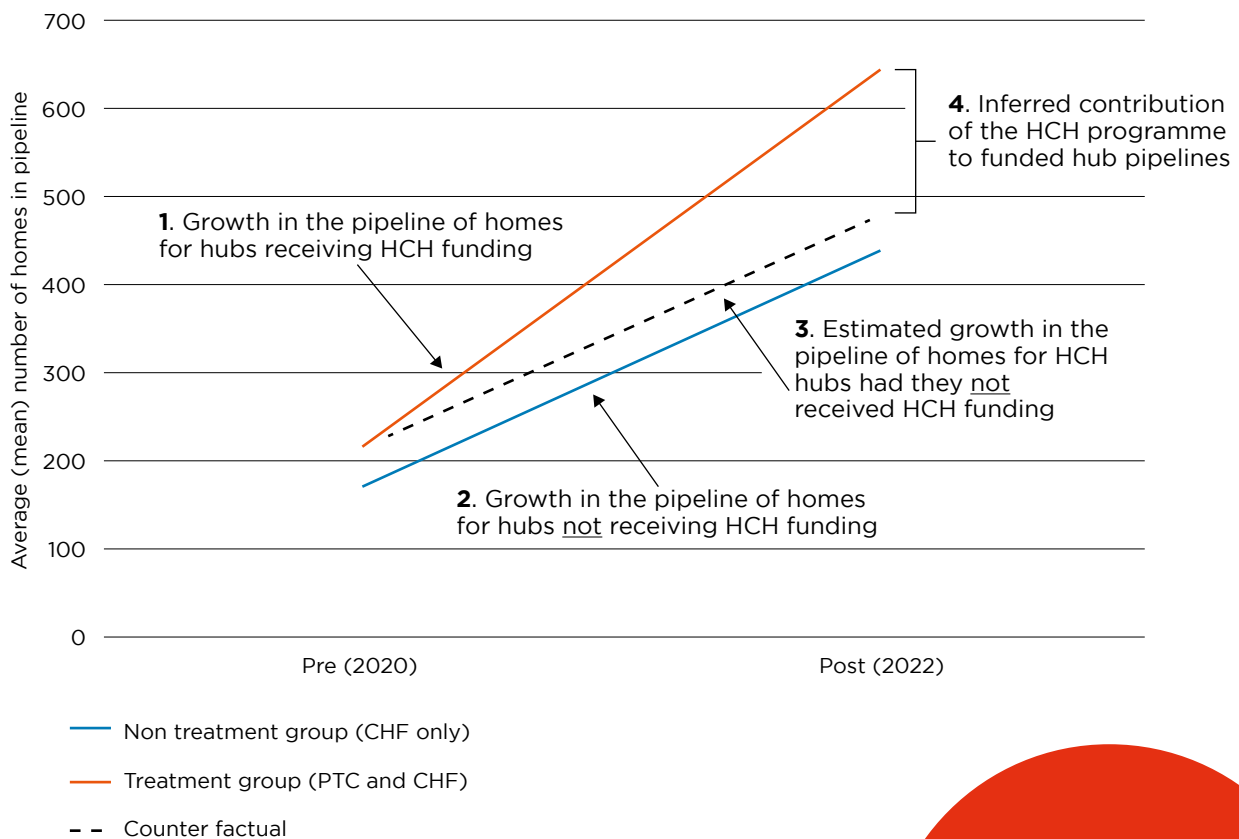


Impacts of enabling hubs

Funding for five enabler hubs has formed a significant part of the Homes in Community Hands programme. Previous reports from the evaluation discussed the emergence and development of hubs, and highlighted their progress in strengthening local and regional contexts for CLH development. As hubs have progressed, their impacts on CLH within their area of operation have become more pronounced, producing a range of tangible and anticipated impacts on housing, communities and stakeholder relationships.

A novel difference-in-difference test developed by the evaluation team reveals that programme funding has had a significant effect on the development pipelines of funded hubs. **We estimate hubs funded through the Homes in Community Hands programme are, on average, supporting the development of nearly 160 more homes than we would otherwise have expected.** Figure 4 presents this analysis graphically. While new homes can take years to develop – meaning that the housing impacts of these hubs are yet to be realised – the creation of a pipeline for over 3,216 homes in hub pipelines across the five hubs is a significant measure of the potential long-term impact of this funding.

Figure 4: Difference in difference analysis of hub pipelines



3,216
homes in
hub pipelines

Hub impacts are linked to their support for, and work with, local CLH projects. Through their enabling networks they help projects develop financially robust business plans, secure funding, make progress with planning applications, manage development processes, and build relationships with other stakeholders, funders and partners. Reflecting on this, one grantee project noted how their hub had guided them ‘... *through financial and build risks, [to] a really sound foundation*’. The rich material collected suggests that hubs not only provide vital technical support and assistance to groups directly, but also curate and develop a broader ecosystem of professional and community networks and relationships.

Hubs have also played important roles in furthering support for active participation and cohesive communities, including support for minoritised groups and communities otherwise absent from the leadership of CLH projects. Proactive engagement with communities not currently active in CLH was evident within all five enabler hubs and enabling support models were designed to promote and enhance active community participation. As a consequence, **hubs have supported a number of innovative projects that emphasise resident and community leadership and that could generate a range of community impacts, including outcomes related to health, wellbeing, zero carbon transitions, and employment.**

Through the course of the programme, hubs have also impacted upon local and regional policy agendas. This has led to the development of land disposal policies and the receipt of funding from local and regional authorities. It should be acknowledged that policy takes time to develop and become embedded, and that this implementation process is complex. Hence, policy has matured in some areas more than others. However, hubs have adopted strategic approaches to influencing key stakeholders. In some cases, hubs participated in advocacy workshops to build political connections and align their objectives with stakeholders, while others have recruited key stakeholders into hub governance structures in order to build relationships with authorities.

Hubs have also established and enhanced partnerships with Registered Providers (RPs). Several RPs were core partners of hubs in the delivery of enabling support, while others were engaged through mutual interests in agendas such as town centre regeneration and decarbonisation. More generally, RPs were important partners in securing access to Affordable Homes Development funding. However, only a relatively small group of RPs perceive CLH as part of, or linked to, their core business, and hubs often had established relationships with only one or two core partners. This confirms the importance of maintaining a variety of options and partnership forms in order to maximise leverage. Registering new CLH RPs may be part of that strategy, including the registration of hubs themselves as RPs contributing to their own financial sustainability.

The financial sustainability of hubs is a significant challenge and impediment to further delivery and enhancement of many of the potential impacts from CLH.

As core grants finish and the availability of subsequent grants diminishes, many hubs face an uncertain financial future, despite actively diversifying revenue streams to become financially sustainable. Hubs do not have an expectation of indefinite grant funding but diversification of revenue and activity to generate core funding takes time to establish. As a result, while the funded hubs can demonstrate a number of achievements and anticipated impacts, their overall legacy may not be fully realised as funding diminishes.

The programme's contribution story

The evaluation used a theory of change to map points of programme contribution to outcomes and impacts. It has explored the areas where change is both evident and as yet unseen, discussing the factors which are moderating these changes.

The Homes in Community Hands programme was intended to deliver additional community-led homes, and in so doing help grantees impact in various ways. We used the CLH sector's own impact categories to assess if and how CLH meets people's housing needs, produces greater community cohesion and civic engagement, and improves health and wellbeing. The slow development of projects means that these impacts are limited at present. Only around 25 homes that have received some form of programme support have been completed and occupied. Nonetheless, evidence from hubs and completed projects – presented in Chapter 5 of our full report – indicates that these homes are at affordable or social rents. In addition, completed projects are providing housing for people in recovery or leaving care, generating crucial wellbeing benefits. There has been more widespread community cohesion and civic participation benefits arising from projects at an earlier stage of development, linked to resident and community participation in project planning and design. One interviewee reported that half of the current residents of the completed housing had been involved in the refurbishment work as volunteers or trainees. They had *'actually worked on the property that they now live in - it gives them that much more ownership of it'*.

For those homes yet to be developed there are various anticipated outcomes and impacts. By 2026 directly supported projects, and those supported by funded hubs, are likely to have completed hundreds (potentially thousands) of new homes, realising major affordability benefits. Over two thirds of funded projects are working in the most deprived locations, and will therefore make the most difference in areas facing the strongest socio-economic challenges. In the coming years, CLH groups will make localised contributions to; community cohesion and integration, the widening of civic participation and control of assets, improved well-being, enhanced neighbourhood spaces and facilities, increased employment and training opportunities and reductions in the environmental impact of housing. In aggregate, these outcomes and impacts will be significant in scale.

**Members making friends and overcoming challenges together.
Members want to start living together and looking at ways to live communally in the short term until the development is complete.**

(LGC project informant)

The contribution of the Homes in Community Hands programme to these potential outcomes and impacts are the connected to:

1. how the funding has helped improve the national infrastructure for CLH and its influence
2. how support for hubs has enabled promotion of CLH and the development of new enabling services and planned projects
3. how funding for hubs has helped to build local relationships and influence local conditions which has created opportunities for new community-led projects.

These critical programme contributions are discussed and summarised below:

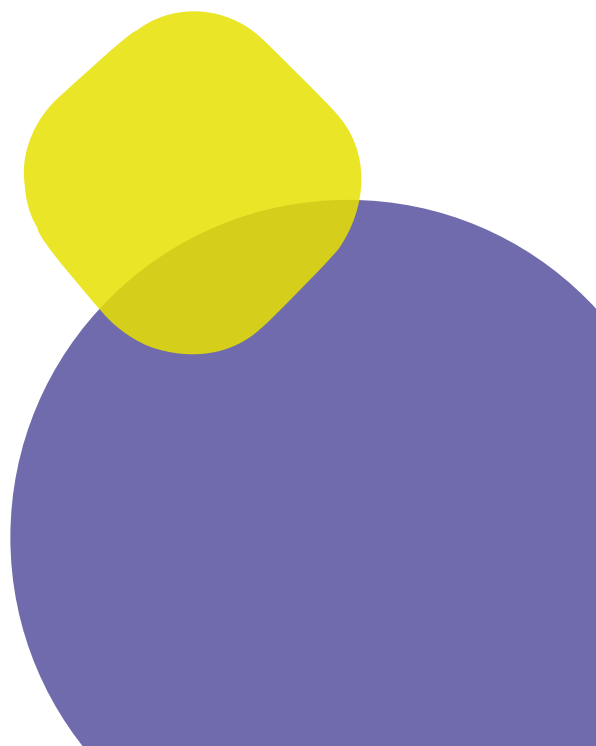
- **National infrastructure.** Power to Change played a significant role in commissioning research, influencing policy and brokering relations as the Homes in Community Hands programme was being devised. This ultimately shaped other funding and finance programmes, enabling sector partners to inform the development of the government's Community Housing Fund. The programme has also promoted collaboration, peer learning and helped create a '*strong learning exchange...and a mechanism to connect*', notably for hubs. It has also helped develop strategic alliances with other funders to create a more flexible and responsive range of funding and support for groups at different stages. Whilst programme funding has amplified the sector's voice, it has not yet led to sustained policy and funding programmes from government, as anticipated by our theory of change. This poses a major risk to the sector as CLH development is still heavily contingent on grant funding.
- **Hubs and Enabling.** Promotional work by funded hubs clearly increased the number of groups interested in, and planning, CLH projects. Their enabling work has helped groups to develop financial plans, secure funding and make progress with planning applications, and thus to reach 'build' and 'live' stages. Covid-19 was a significant moderating factor limiting scope for face-to-face meetings and the capacity of groups to take forward their projects. With programme funding, from hubs responded in innovative ways, with some developing on-line resources enhancing the standardisation of support.

Over time funded hubs have supported a wider range of CLH types with a 'step change' in support for housing co-operatives and cohousing groups in 2022. The training and accreditation programme for CLH advisors helped hubs enhance their skills and quality assure their enabling work. Without programme funding hub advice services '*would have come forward more slowly*'. Our difference in difference analysis in section 5 has confirmed the additionality of Homes in Community Hands funding, at least in terms of their development pipelines. Thus the programme has made a major contribution to this growth in CLH locally, albeit in tandem with other funders. It has been, and will continue to be, challenging for hubs to develop sustainable funding models over the timescale required, and this is one area the programme's contribution is fragile.

- **Hubs and Local Relationships.** Each funded hub has built upon a set of relations already in place between local actors, e.g. between local CLH organisations, supportive stakeholders, and local policymakers. Nonetheless, the programme's funding has been a significant catalyst to formalising these relationships, and building new institutional forms to support CLH locally. Each area has seen new policy developments, new sites secured for CLH and new actors brought in to local CLH partnerships. Partnerships with RPs with shared values have been strengthened e.g. around decarbonisation and local regeneration projects, through jointly funded posts as well as through site purchases, development, and help to secure grant funding. Hubs have been active in forming these 'new ecosystems' of support for CLH which would not have developed to the same extent without the programme's funding.

Hence, funding for hubs has created important and visible changes in the five areas. However there have been moderating factors that have hampered the development of local CLH projects. This includes local authorities seeking 'best consideration' in site disposals, and failing to recognise the potential 'community building' role of CLH groups within larger mixed tenure developments. There have also been 'implementation gaps' where positive CLH policies have not helped individual projects. RPs have experienced potentially conflicting interests, meaning only a small number see CLH as part of, or linked to, their core business.

The single most significant component in our theory of change that seems unlikely to be realised is the financial sustainability of all the hubs. This looks increasingly unlikely, though several will continue with a reduced level of resource, and parts of the local ecosystems for CLH - which have been hard earned in recent years - will remain in legacy.



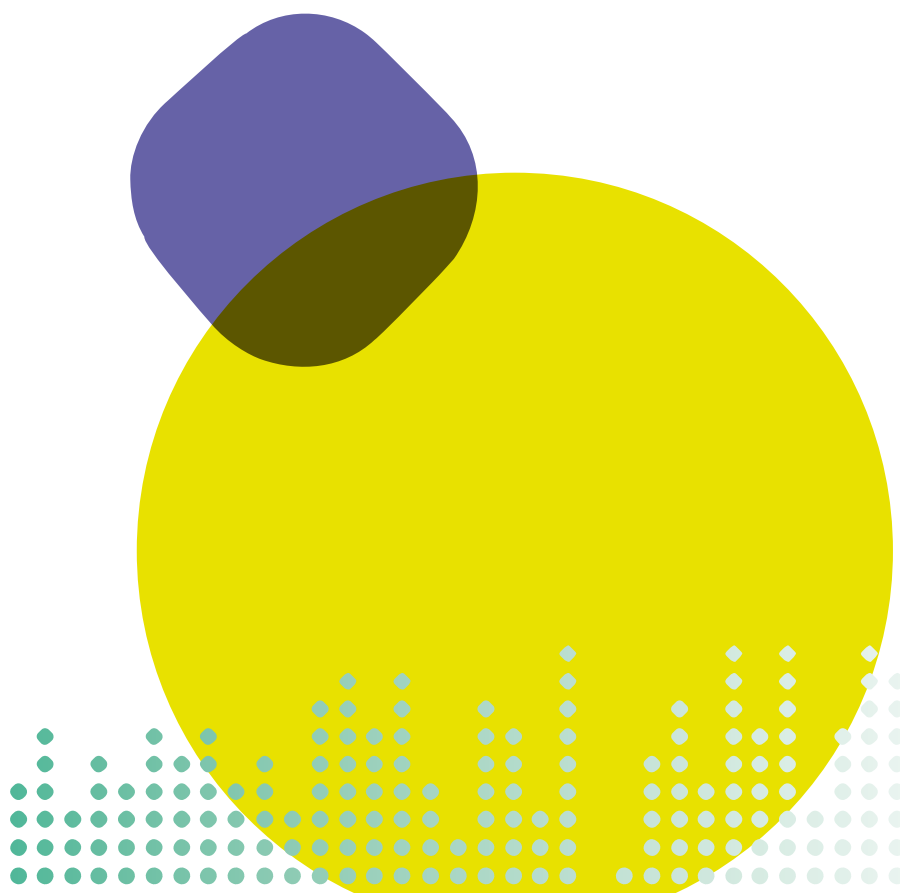
Implications and conclusions

The findings from this report have implications for various actors with a stake in the CLH sector. Below these implications are summarised, with potential actions for different parties:

- **Funders and policy makers** – We urge government to revisit the renewal of the Community Housing Fund, as the absence of this could lead to thousands of affordable homes not being developed. Other housing-related funds need to be managed flexibly – to include support for alternative tenures and property types – for the full range of benefits associated with CLH to be realised. Evidence contained here suggests CLH is a direct step toward several of the Levelling Up missions, not least in terms of wellbeing, living standards, housing and pride in place. Projects supported by the Homes in Community Hands programme are generally developing a mixture of property assets, and so failing to fund the housing component will have a ripple effect on the viability of the projects overall. This means community centres not being renovated, high streets not being improved, and shared facilities and resources not being created. Local and national policymakers have failed to appreciate this. Funders can support research related to the impact of CLH, and advocacy work, to demonstrate the alignment between CLH and current priorities and policy agendas.
- **National infrastructure** – To maximise the funding available to CLH groups, combined authorities and other devolved powers need to be encouraged to support the sector. Access to Levelling Up funding and the Shared Prosperity Fund also needs to be maximised. Using evidence provided here and in other studies, national bodies can guide enabling hubs on the most effective and sustainable models, and how to forge local ecosystems of support. National bodies also have a role in refining and consolidating impact tools, and in the standardisation of impact data so that it can be aggregated.
- **Local infrastructure** – Local enabling organisations will need to find connections between housing and other social, economic and environmental actions, in order to maximise opportunities for funding. CLH projects may, for instance, connect to wider regeneration initiatives, action on climate change, or moves for greater community ownership. Hubs will need to diversify their income streams e.g. through work with partners, direct involvement in housing development, direct access to public grants and finance, and through provision of housing management and stock maintenance services. Hubs should be encouraged and supported to keep sharing resources and intelligence around building local ecosystems of support.
- **Local authorities and registered providers** – Small investments by local agencies may provide the revenue that makes the difference in bringing CLH projects to fruition. RP partnerships will become ever more important, and the different types of partnerships developed between funded hubs and RPs can act as models to consider. There is significant potential for more CLH schemes within major planned developments. Local authorities can catalyse more CLH by changing their approach to land disposals, prioritising social value over financial returns.

- **CLH groups** – Diversification beyond housing may be necessary, widening the opportunities for funding and the benefits for communities. Groups need to choose development partners carefully on a values basis. Our research shows the benefits of such collaborative partnerships. However, this is a postcode lottery and not every CLH project has a supportive local partner. Knowing and demonstrating the potential impact of CLH projects will be critical in building support. CLH groups also need to plan and prepare for long lead-in times for development projects, devising effective strategies to maintain local engagement throughout.

This evaluation has revealed some of the emerging and potential impacts of CLH. It has shown how a programme such as Homes in Community Hands, when aligned with other resources and factors, can create the potential for large-scale impact from CLH. However, this is heavily contingent on a wider funding environment. More proactive involvement from funders and other stakeholders, alongside enablers and CLH groups, will be needed to realise the full potential of CLH in the coming years.





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