



# The role of community-led housing in town centre regeneration in Northumberland

**Author:** Natalie Partridge

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**Contact:** [Natalie.Partridge@newcastle.ac.uk](mailto:Natalie.Partridge@newcastle.ac.uk)

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## Foreword

### Breathing new life into our high streets and town centres - what answers have we got to revive these spaces?

There is broad consensus and concern – our high streets have changed, and something needs to be done.

Central Government is hearing the message, the Federation of Small Businesses is worried, the electorate rated it a big issue in the last election, but what answers have we got to stem the tide?

Banks, pubs and big-name retailers were seen as foundation stones in our high streets and town centres, but times have moved on. The shift to online banking and retail, and the demise of pub culture, has changed the landscape, leaving empty properties up and down the country, gaps that need to be filled if our high streets are to become the bustling and vibrant centres they once were.

How refreshing then to find examples of community-led organisations rising to the challenge, community organisations committed to, and championing their high streets and town centres – it can be done!

This evaluation report, commissioned by Communities CAN and carried out by the National Innovation Centre for Rural Enterprise (NICRE), looks at a number of examples in Northumberland that have proven successful in the long term. These demonstrate that when community organisations take ownership and control of key, strategic, high street properties they have a vested interest to make things work, and have done just that in a way that not only breathes new life and repurposes those spaces, but enables them to reinvest in their communities again, again and again.

All of the examples featured converted some of their high street spaces to community-led housing, an element which has brought life, activity and a much-needed permanence to places that were empty – housing is part of the overall solution.

It is action rather than words that is needed; what has been done in Amble, Haltwhistle, Prudhoe and Wooler can be replicated across the country – let us empower community-led organisations to power up their high streets!

**Tom Johnston**  
**Communities CAN**

## Summary of challenges and policy opportunities

### Finances

Challenge: This report finds a significant overlap between community-led housing schemes and town centre regeneration or revitalisation activities. Local community organisations, such as development trusts, often participate in both community-led housing and town centre-related projects, but funding streams for the two activities tend to be separate.

Opportunity: Using their local expertise and relationships, community organisations have been seen to translate the benefits of community-led housing schemes into broader town centre impacts in Northumberland. Community groups have also helped to identify housing opportunities within town centre regeneration initiatives, including projects that did not prioritise accommodation from the outset. Including community-led housing as part of town centre regeneration projects could offer an opportunity for local authorities and community groups to develop co-benefits for local people and town centres.

Challenge: Section 106 funds are collected from developers and have occasionally been deployed for community-led housing. Community-led housing has in turn been shown to benefit town centres through reinvestment into community initiatives. Section 106 funds are available only to registered housing providers in Northumberland, due to Northumberland County Council's (NCC's) interpretation of the guidelines for use of the funds. See Appendix 1 for a response from NCC about the lack of affordable housing approvals in rural locations. This leads to community-led schemes being funded through individual philanthropy, local benefactors or building relationships with external funders.

Opportunity: Section 106 funds could facilitate community-led housing (and therefore town centre development) either by their distribution to community development trusts with proven experience in housing provision, or through parish councils with some guidance, enabling or facilitation provided by local authorities.

Challenge: Homes England grants are typically only available to registered providers, or to community housing providers who work in partnership with a registered social landlord.

Opportunity: Researchers at the New Economics Foundation (2024, page 47) suggest creating "a new category of community housing provider status alongside registered housing providers to allow Homes England grants to be allocated directly without the need for a registered social landlord (RSL) as an intermediary body."<sup>1</sup>

### Partnerships and involvement

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<sup>1</sup> [RORE-community-housing-Final.pdf \(neweconomics.org\)](#)

Challenge: Community-led town centre revitalisation initiatives with a housing element are often run by individuals with local expertise, but who need a range of support, business advice and guidance. This can be expensive, time consuming, and there may not be specialist advice available locally. Volunteers take on significant risk and responsibility. Participants described developing groups and networks for support and advice, including registered providers, local authorities, local businesses, funders and benefactors.

Opportunity: Local authorities could increase resourcing for support and advice services for community-led initiatives, such as through a scheme of 'enablers'. With a focus on housing, McAreavey and Kemmet<sup>2</sup> (2022, page 4) suggest that "policies need to recognise the importance of place and the particular attributes that exist within a locality. Rural housing enablers (RHEs)<sup>3</sup> can greatly support communities", particularly if supported on secondment in communities.

### Access, permissions and insufficient stock

Challenge: Participants often described building access issues such as absent landlords, prohibitive costs and difficulties obtaining a mortgage to acquire properties. Once properties are acquired, planning and tax systems were often complex, costly and time-consuming to navigate.

Opportunity: Local authorities could publicly identify areas or plots of land that would be suitable for community-led housing and retail schemes. Authorities could compulsorily acquire stock in areas where there is an identified housing need and distribute them to community-led initiatives via community asset transfers. This would remove barriers and delays around acquiring property from absent landlords or needing to develop innovative funding models or philanthropic relationships to finance purchases.

Challenge: A key challenge for community-led property rental is a lack of sufficient stock. This may be due to developers prioritising urban developments, a lack of family homes due to older people remaining in larger homes rather than downsizing, land banking, 'not in my backyard' attitudes, and challenges arising from right-to-buy policies resulting in reductions in social housing. Community-led schemes today also need to buy or acquire properties outright, rather than obtaining a mortgage. Many described long waiting lists for their properties and having to turn potential housing and retail tenants away. A compounding issue is that community-led schemes might seek to retain a local focus, making it more difficult for those in need of affordable property from outside the community to be able to access it, including those from minoritised communities who may be displaced.

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<sup>2</sup> [nicre-research-report-no-9-july-2022-rural-housing-challenges-opportunities-and-solutions.pdf](#)

<sup>3</sup> <https://acre.org.uk/rural-housing-enabler-programme/>

Opportunity: Participants described criteria they use for tenancy, such as working in the local area or having a family relationship to it. This enables schemes to retain a focus on meeting local needs in the context of limited stock. These criteria could be public, and routinely reviewed and adapted in dialogue with local authorities and housing activists. Exclusion could be further mitigated by greater state social housing provision, or by additional support for the expansion of community-led housing schemes.

## Introduction

Town centre vitality and housing provision are two pressing issues for rural and urban communities across the UK. This report finds that community-led development initiatives in Northumberland form part of a range of potential solutions to revitalise town centres and mitigate the housing crisis, alongside other approaches such as redevelopment and social housing.

This report evaluates four community-led housing schemes in rural Northumberland in the northeast of England which have played a role in town centre revitalisation. In a recent report by the New Economics Foundation (page 23), community-led housing was defined as being "characterised by self-determination, or housing by and for the people, rather than private, public, or large-scale social provision."

Incorporating community-led housing as part of town centre development projects has been shown to deliver co-benefits for high streets and communities. Examples include the repurposing of prominent, empty buildings to provide accommodation at affordable rates for local people, with rental income reinvested into local communities for initiatives like community hubs and small business units, in turn providing social and economic opportunities for residents.

Community organisations, like development trusts, are demonstrated to be well-placed to deliver lasting and successful town centre regeneration initiatives which include community-led housing. This is due to the local expertise, relationships, and long-term commitment of volunteers involved. The report explores the roles of development trusts, local authorities, housing associations, businesses, and their communities, and their relationships to the schemes.

## The partners

This research was designed and conducted by researchers at the National Innovation Centre for Rural Enterprise, based at Newcastle University. The research was commissioned by Communities CAN.

## Background

Northumberland, like many other areas in the UK, faces challenges relating to affordability, availability and acceptability of existing housing and retail property stocks. Northumberland is a large county which incorporates remote rural areas and more densely populated urban centres. It forms part of the North East Combined Authority, and its local authority is Northumberland County Council.



The ONS<sup>4</sup> summarises that "In 2021, Northumberland is the least densely populated of the North East's 12 local authority areas, with an area equivalent to around two football pitches per resident." Visit Northumberland estimates that the county welcomed over 10 million visitors in 2023<sup>5</sup>.

The geography and rurality of much of Northumberland, as well as competition for property created by the visitor economy, combine to compound housing pressures arising from social, health and economic inequalities<sup>6</sup>.

## Methods

This research took a qualitative approach, conducting semi-structured online interviews with 9 participants between August and September 2024.

The sample includes representatives from:

- Those involved in setting up community-led housing schemes, such as trustees in local development trusts (n=5)
- Local authority (n=1)
- Housing association (n=1)
- Researchers and housing activists with in-depth knowledge of the region (n=2).

Participant recruitment was achieved through purposive convenience sampling of those identified as being involved in community-led housing schemes within the geographical scope of the project - Northumberland. It allowed for some 'snowball' sampling, where participants recommended further interviewees with particular insights on the topic.

Interviews covered the following themes, but with flexibility to follow alternative lines of questioning depending on the participant's background, work, or interests:

- Participant introductions and roles in relation to community-led housing;
- Motivations and drivers for their involvement in community-led housing;
- Opportunities and barriers to community-led housing;
- Wider impact of community-led housing on town centres, the streetscape and communities.

Interviews were recorded via Zoom software and materials and notes were inductively coded thematically in NVivo 14 software.

## Limitations

This research is based on data derived from a small sample of nine experts with extensive knowledge of community-led housing and local development. Given more time and

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<sup>4</sup> [Northumberland population change, Census 2021 – ONS](#)

<sup>5</sup> [Northumberland welcomes over 10 million visitors and a record visitor spend in 2023 - Visit Northumberland Local Visitor Economy Partnership \(LVEP\)](#)

<sup>6</sup> [RORE-community-housing-Final.pdf \(neweconomics.org\)](#)

resources, the report would have benefitted from interviews with additional participants including those from a wider geographical area. However, it draws from secondary data which did engage with this wider knowledge and expertise.

## Overview of four community-led property schemes in Northumberland

### Haltwhistle

Haltwhistle Partnership (HP) has renovated four flats, a maisonette, three retail spaces, offices and a water tower in Haltwhistle. The last property was completed in 2016, and the scheme continues to provide affordable housing and retail spaces in the town. The purpose of their community-led housing scheme was to address a need for affordable rental properties in the area, and to enable the community to have some control over the provision of shops on the high street. HP now uses an agent to manage their lettings. Alongside developing their housing scheme, HP built relationships with a local housing association, Karbon Homes, and has distributed around £80,000 of Karbon Homes funding to local community projects, which have positively impacted the town.

### Amble

Amble Development Trust (ADT) developed a community-led housing scheme to provide and retain affordable housing for people who work in the town or have a family relationship to Amble. ADT now has four affordable housing units and three retail units. The housing units consist of two 2-bedroom properties, and two 1-bedroom properties. ADT worked in partnership with the town council, Persimmon homes and local contractors to deliver their housing scheme. Income generated through the housing scheme is used to support projects within Amble town centre, including developing the Harbour Village shopping area which provides retail space to small businesses.

### Wooler

Glendale Gateway (GG) community development trust is a land trust that has 20 affordable homes. Inspired by a project in Holy Island in the late 1990s where the local development trust built new houses for local people, GG set up a trust in 1996 to take similar steps in Wooler. The community-led housing scheme has endured for several decades and continues to generate long-term income that is reinvested in the town centre. It has also helped to make use of empty properties on the high street.

### Prudhoe

The former Windsor Bakery site in Prudhoe was redeveloped by the Prudhoe Community Partnership (PCP) and Karbon Homes to provide two retail units and two flats in the town centre. The site is an example of a 'Living Over the Shop' initiative and was designed to improve the vitality of Front Street. Building on the success of this development, PCP is now leading a project to develop a disused Victorian school in central Prudhoe, called the East site. PCP aims to refurbish and redevelop the site as a youth centre as part of a broader town centre transformation initiative in Prudhoe. Following an extensive period of community consultation, with support from Community Action Northumberland (CAN),

the Rural Design Centre Innovation Project (RDCIP), several other community partners and a local architect, the design for the site has now developed to incorporate a youth facility, small business start-up spaces, and three units of accommodation intended for local young people.

## Findings

### Beyond satisfying a housing need: Benefits of housing schemes for town centres and the streetscape

*"It was about revitalisation of the built environment, recognising that we did not want to end up with a situation where we had absent landlords that didn't care about the place. We had properties that would stimulate new business, accommodate people, and revitalise the town centre, and it's nice to see the lights on in the town centre."*

Participants routinely described incidentally developing community-led housing schemes alongside projects aimed at redeveloping high streets or disused prominent buildings. Often, the buildings were notable for the streetscape or heritage of a community, such as old school buildings or water towers, and were falling into disrepair. This sense of 'putting empty buildings to use' to meet community needs was shown to create multiple co-benefits alongside providing housing, such as:

- Using rental income to invest in communities.
- Stimulating new businesses, including facilitating tenants of community-led housing schemes seeking to start a small business in a vacant unit.
- Offering spaces for services, offices or shops that are needed locally, and exerting some control over the types of businesses that use units, to avoid duplication or to cater to a particular need.
- Developing a sense of inhabitation, revitalisation and safety in town and village centres.

*"Taking our experience of housing, I would say that it is key to town centre vitality. Anyone living that close has an affinity and interest in what happens on their doorstep and uses the facilities rather than going out of town [for] shopping. I think there is also an understanding that if the landlord is involved in the community, they are more likely to be considerate of community needs, rather than financial return."*

### Reinvesting income into communities

Participants described a motivation for the rental income generated through community-led housing schemes to be reinvested in the locality. Such investments included:

- Maintaining and upgrading the community-led housing, and refining its management as needed, including paying agents to manage tenants.
- Building the Harbour Village in Amble, a space where small businesses and sole traders can sell their goods to locals and visitors.

- Cultivating a community garden in Haltwhistle.
- Producing and distributing the Ambler newspaper, which provides updates to the community in Amble.

*"We retain the housing for local people at affordable rents that match local salaries. All rental income is put back into the local community through Amble Development Trust projects, that continue the regeneration of the town and bring community benefit. By securing Section 106 funds and working with local businesses we have been able to provide four good quality affordable housing units that bring great benefits at no cost to the local community."*

Most participants felt that their community-led housing schemes had had significant impacts on their towns, but that their local communities might be unlikely to identify the role of housing initiatives in improving their town centres.

For Haltwhistle, the community impact was described as "probably not a lot" and seen as being primarily noticeable to the tenants, who "are very happy and we are good landlords". The tenants were described as mostly single occupants, with one tenant having lived there since the scheme was launched. This sense of the community-led housing scheme having 'quiet' or 'unsung' impacts on the town centre is despite the participant giving numerous examples of community benefit in Haltwhistle, and a direct link between the community-led housing scheme and the development of a community fund. Later in the interview, the participant described other community impacts in terms of investment. The relationship between Karbon Homes and the Haltwhistle Partnership led to the distribution of the Haltwhistle Community Fund through the Partnership to invest in local initiatives, such as a community cinema, sports and arts clubs, a forest school and artistic renovation of a bus stop.

*"The Haltwhistle Partnership took the whole fund and ran with it [...] They've come up with quite a range of activities and some quite large ones, such as a community development hub up at the Hillside Centre, which is a club. And they've built that around a community [allotment] garden with a development worker in for a couple of years."*

Similarly, in Prudhoe, the Windsor Bakery development provided retail units and housing in the town centre and has been a lasting success with low void rates and affordable rents. It has also formed part of a longer-term transformation of Prudhoe town centre, which now includes the East Site. While it was reported that this latest phase of work had not delivered "a great deal of impact so far" in terms of meeting community housing need or developing new skills for the people who have invested their time, it had resulted in a sense of achievement for those involved. The PCP team "can see a light at the end of the tunnel, achieving regeneration of the town centre" and now have "greater belief that they can do something".

*"Community-led housing is an integral part of Prudhoe's current regeneration plan for the town centre. A site on Front Street which is occupied by a redundant school and adult learning centre is the focal point of regeneration proposals which would see the creation of youth and community facilities, business units, outdoor leisure space and affordable housing."*

## Ownership over housing, retail and service provision

Most participants expressed that community-led housing schemes developed to meet a particular need in their local area, which often combined a housing need and a desire to develop town centres. This included (1) a need for more affordable places for local people to live; (2) addressing displacement of local people due to prohibitive housing costs, a lack of rental properties, or a growing proportion of holiday lets; (3) a notable empty building, for example in a prominent position or in a particular state of disrepair; or (4) a perceived need for investment in or revitalisation of an area, for which community-led housing could be a vehicle.

However, participants also expressed that community-led property schemes were about more than satisfying a housing need. They enabled communities to feel empowered to make decisions about the types of housing and retail available in their communities and allowed them to support people who worked in the local economy who otherwise would have to live outside of the area. The schemes also provided community ownership and control over tenancy, and decision-making power over how to be a 'good' landlord and the types of responsibilities granted to tenants. It also afforded communities an element of choice over the use of other key spaces, such as units on high streets beneath housing, and the types of shops and services they wanted to house there. Most participants described there being high demand for the accommodation and retail units provided through community-led schemes, and low void rates.

*"Void rates are considerably lower when the properties are in community ownership. [...] I know when a tenant (residential or commercial) handed in their notice we were quick to advertise the properties and willing to negotiate to ensure the community was not faced with empty spaces. On one occasion we had a potential retail tenant who was nervous about reaching the turnover they needed to make their business viable, so we offered them a licence rather than a lease taking 10% of turnover up to a limit. It worked out well in that they exceeded their required turnover so took a lease thereafter – it minimised their risk and at the same time kept the spaces live – all part of the determination of community organisations to find a way to make things work."*

*"It's about communities having control over their housing. Not housing that is just provided in a community without their control."*

In Amble, it was reported that visitors and hedge funds were purchasing housing and retail properties at inflated prices, taking properties "out of the reach of local residents and young people". The effects have been enduring, with property prices remaining high compared to local wages. Amble Development Trust's actions have addressed some of this impact for at least a small proportion of the local population. Their properties have been fully tenanted and has a waiting list of interested tenants. Tenants that have left the housing scheme have all gone on to buy their first property, joining the property ladder. At rents of £320pcm-£340pcm, tenants were reported to have been able to save up for deposits, with several working for Amble Development Trust and for businesses in the town.

*"Some of the other properties [on the high street] are being bought up by hedge funds and that sort of thing, and they don't care whether there's anybody in them or not. [...] I think the impact of our scheme on the town centre has probably more to do with the retail units that we've got, because they're permanently tenanted. [...] we are getting inquiries about ours, whereas there are other empty properties on the street. But then that comes down to being that trusted landlord and charging a reasonable rent."*

## Supporting local

In Wooler, the Glendale Gateway Trust's community-led housing scheme provided 20 affordable homes. Like in Amble, the Trust's first motivation was not to develop housing for the area. However, they identified a potential 'win-win-win' for their community, to provide affordable housing, in turn generating reliable income for the trust to reinvest in the community, using derelict properties on the high street. This was described as making the town centre more vibrant, and was supported financially by local residents:

*"We had a community bond scheme with support from local people and local businesses. We wanted to raise money but it couldn't be a community shares issue because we were a charity. It was paid back after 3 years with zero interest. It was a demonstration of community support to lever in additional grant funding."*

Common to all four schemes covered in this research was the decision to use local builders and tradespeople for building works, roofing, painting and decorating, repairs and maintenance such as boiler services. This was described as important "to keep the money in the local area" or "to circulate money within the local economy". By contrast, some interviewees mentioned examples of local registered provider stock having regional contracts for tradespeople, who travel from as far as Middlesbrough.

Another important aspect is the differing availability of social and other forms of capital in the localities, and unequal levels of resources which communities had at their disposal. These differing levels of capital contributed to differences in access to funding, and barriers accessing suitable information and support.

*"I know [another town with a community-led housing scheme] was fortunate, because they have a lot of retired millionaires or retired landowners that have a lot of money and that were willing to put up bonds so [they] can actually buy property [...] and I know that that had to be paid back, but that was something that was a system that actually worked for [them]. We haven't got that luxury here, I mean, we would be relying on funding."*

## Benefits of community-led initiatives

### Local experts for local communities

Most interviewees lived in the communities in which they had held their community-led development roles for long periods of time. They brought a wealth of professional experience including business skills, project management, housing-related work for local authorities, and research to their positions. This experience enabled them to observe

incremental social and economic changes, identify specific needs in their communities and design ways to address them.

Trustees involved in community-led schemes, and those who had worked on schemes as funders or researchers, described development trusts as well positioned to deliver community-led regeneration due to their 'insider' knowledge of their local areas.

*"The drive for localism has to be based on this [insider knowledge], really, and in terms of local people with local knowledge right at the point where it can make the greatest change, because they have the most understanding."*

This was particularly evident in Prudhoe, where the community-led scheme at the East Site is at an early stage of development as part of a broader town centre project. Those involved in the Prudhoe scheme leveraged their community knowledge to identify a need for provision for young people in the area, and they included housing as part of their proposals for a mixed-use site.

*"Accommodation is very important to us. There are two reasons for that apart from just being interested in housing. One is the established housing need, we have done a lot of research there and looked at housing needs and have spoken to the local authority. There's need for units, small units of accommodation possibly for younger people working on the theme of youth on that site. There's established need."*

Overall, there was a sense that those providing community-led development schemes were committed to listening to their communities and had become established as mediators or facilitators between communities, funders and local authorities in order to effectively target housing provision for potential tenant groups identified as most in need, and to deliver co-benefits for their town centre environments.

A funder said *"there's that fear of someone coming in and changing the community too much. In essence, we're trying to deliver them what they need but not deliver it in a way that's actually counterproductive and delivering the wrong thing."*

### Trusted trusts

Community-led schemes were part of development trusts establishing themselves as 'trusted partners' within their communities. Schemes have endured for a number of years, and continue to provide housing and retail properties at affordable rates, reinvesting the proceeds in their communities. Many trustees described committing to long periods in their roles as volunteers. They felt that a significant time commitment made their organisations more trustworthy, robust, skilled and knowledgeable, and well-known in their communities. This also enabled trustees to build relationships with local authorities and funders, situating themselves as a 'trusted partner' to deliver a range of projects.

*"Basically, we say, 'Give us the money, and we will make sure it's spent in the right way!'"*

The reputations and relationships built by trusts led to benefits in terms of partnerships and funding, such as:

- Land being transferred to Amble Development Trust by Alnwick District Council along with access to Section 106 funding.
- Local benefactors issuing interest-free loans to Glendale Gateway Trust in Wooler.
- Karbon Homes distributing their Haltwhistle investment fund according to advice from the local development trust under the Haltwhistle Partnership.

*"[It is about] that the fact that actually we're the residents. We're doing this for the right reasons. We understand there's a need for extra housing, but we want to make sure it's the right housing."*

### Responsibilities and commitment

Most participants expressed that the main driver for their remaining in post in what were described as emotionally and intellectually challenging, time-consuming, voluntary roles was a sense that "no one else is going to do this", and a feeling of communities deserving 'better' than the existing high street offer and housing provision. Community-led property schemes develop in urban locations as well as rural ones (NEF, 2024), but part of this feeling of necessity and community responsibility may be linked to the relatively remote locations of the schemes included in this research, in a context of predominately urban-centric support and funding networks (see Appendix 1).

*"Rural villages seem to have more community capacity, to be honest, I think. It is the people there. There might not be more as in assets or facilities but the people themselves, there is more autonomy I feel about when you work with villages."*

Trustees wishing to develop community-led schemes took on significant voluntary work responsibilities and personal and legal risks. This was perceived as representing a shared commitment to affordable housing and retail property, and 'making it work'. Risks included needing to register their development trusts as Registered Providers with the associated liabilities. Many trustees also described taking on responsibility for managing tenants, which could be challenging and costly.

*"We've had issues with the police breaking the door down for vulnerable tenants and all those costs have just come back on us and on us as volunteers to actually try and deal with it. So now we're very happy that we've engaged an agent."*

The level of risk, responsibility and commitment apportioned to volunteers reflects a lack of adequately funded state social housing provision and management structure, with voluntary organisations 'plugging the gaps'. As highlighted in NEF (2024), the de facto replacement of state provisions with unfunded and unpaid community support, typically from those that are beyond working age or otherwise out of work, was an intentional component of the Conservative government's austerity approach since around 2010. The efficiency, reliability and hard work of community land trusts is ultimately unpaid and should not be taken for granted as a replacement for adequate state provision.



## Lessons learned

Participants shared the lessons they had learned during the development of their community-led schemes:

- Community-led development schemes need someone in the driving seat who will be the 'rock' of the organisation and 'plough on' for a long period.
- It is important for community-led providers to get the buy in from the local community and local authorities.
- Everyone involved needs to share similar understanding or vision, and maintain a good relationship.
- A key component is seeking good advice and being open to receiving it.
- The time and money to get to the first stage should not be underestimated, development costs are high, and architects are expensive.

*"Have fun! It's not obligatory, look at it as a learning experience and you're trying to do some good, so enjoy it".*

## Further reading

- 1) NEF (Wood, M, and O'Connor, A) (2024) *A piece of the housing puzzle: context, barriers and opportunities for community housing in the North-East*. New Economics Foundation [Online] Available at: [RORE-community-housing-Final.pdf \(neweconomics.org\)](#)
- 2) McAreavey, R. and Kemmett, D. (2022) *Rural housing: challenges, opportunities and solutions*. NICRE [Online] Available at: [nicre-research-report-no-9-july-2022-rural-housing-challenges-opportunities-and-solutions.pdf](#)

## Appendix 1 – Response from Northumberland County Council on community-led housing

Northumberland County Council (NCC) were approached to answer questions about access to Section 106 (S106) funding. NCC's responses are summarised below:

### Access to S106 funding

"NCC's interpretation of the NPPF [National Planning Policy Framework] wording means that you must be a Registered Provider to manage or own affordable rented units. Northumberland County Council have taken the approach that any community led organisation applying for the Housing Developer Fund (S106) needs to either be a Registered Provider, work alongside a provider who would be the main applicant and build out the development or apply for the funds by using the Build to Rent definition in the NPPF which is affordable rented units provided by a private developer.

The Build to Rent approach in principle has been established and community groups could apply for section 106 funds provided they can demonstrate the affordable housing they are seeking to deliver fits with the government definition of 'Build to Rent'. This has not been tested at this point. The wider constraints are based on the NPPF guidelines which are under review so it is possible this might change.

This however does not stop a community-led organisation exploring other affordable tenure types such as shared ownership which in theory could use the Housing Developer Fund as there is no restrictions on who can deliver these tenure options. I suspect that any funds given for [shared] ownership would require the units to remain in perpetuity and not have the ability to staircase out. Northumberland County Council also have a dated protocol which is currently under review but within that it allows applicants to apply for the following:-

- building new affordable homes;
- improvement to existing homes to make them affordable and sustainable;
- initiatives that will help to support the development of sustainable, long-term affordable homes;
- funding the affordable element of supported housing schemes;
- buying houses offered to the council under the Right of First Refusal, related to the Right to Buy provisions to be let at affordable rent; and
- buying land for affordable housing.

There are options for community-led organisations to access the Housing Developer Fund but they cannot apply for it to provide Affordable Rented Units as per the NPPF definition."

### S106 funding situation in 2023-2024

"NCC during the financial year 1.04.2023 to 31.03.2024 the council received £770,946 in payments for off site affordable housing contributions, [of] which none is yet spent, however £132,259 is ringfenced for an award to Bernicia Homes for a scheme in North Sunderland, and £402,500 is ringfenced for a Karbon Homes scheme in Morpeth."

"The Council currently has £642,888.44 available for new applicants to apply for, however some of the monies is restricted to certain areas. We have £154,051.01 for Northumberland, £230,000 for Ponteland, £111,337.43 for Rothbury Electoral District, £35,000 for Ashington £45,000 for Shilbottle Electoral District and £67,500 for Rennington. What we are finding is that these restrictions on where the money can be spent is impacting on what applications we can now support. Apart from the Ashington pot of money the rest are considered rural locations and NCC is finding that it is more difficult to get a developer to build in these areas so we risk having to give the money back to the developer."

"[Since] 16/05/2023 the council has approved £4,252,409.52 of funds for affordable housing across the county with a further £130,000 as optional if we had the funding available. Some of these developments are currently under development but none are in rural locations. [...] There is a potential for more S106 monies coming in of the amount of £1,798,346 if all planning permissions commence."

#### Funding opportunities for community-led housing schemes

"As discussed above, community led organisations/groups can apply for the Housing Developer Fund but it can be quite complicated. There is a Community Housing Fund which does have more relaxed criteria but there are limited funds and there is no indication of further funds being made available by the Government. The only other options for communities are crowd funding, private donations and charitable trust funds."