

## Consultation response

# Housing to 2040: consultation on outline policy options

February 2020

### **1 Question 1 Do you have any comments on the draft vision and principles? Please be specific and identify what you would change and why.**

- 1.1 We broadly agree that the draft vision and principles offer something Scottish Government and society should aim for. In this response we seek to evidence how a proliferation in co-operative and community-led housing could help to realise parts of this vision.
- 1.2 By co-operative and community-led housing we generally mean any of the following, often overlapping, models:
- Housing co-operatives (where tenants rent housing from an organisation which they democratically own and control)
  - Management co-operatives (where residents manage their housing or estate through an organisation which they democratically own and control)
  - Co-housing (where housing is developed and managed to facilitate 'intentional community')
  - Land trusts (where land and / or property is mutually owned, for a communal or social purpose, in perpetuity)
  - Community-led housing developers / self-builders (where the developer is a community organisation, through which people co-operate to develop housing, to meet their own and their community's needs and aspirations)
- 1.3 We must also stress the importance of 'secondary/federated' co-operatives, wherein smaller housing co-operatives work together to pool risk, resources and capabilities.

### **2 Question 2 Do you have any comments on the scenarios and resilience of the route map or constraints?**

- 2.1 We answer this question through the lens of drivers and constraints relating to the proliferation of co-operative and community-led housing in Scotland.
- Drivers: creating a fertile context for co-operative and community-led housing*
- 2.2 We believe Scottish Government already has most of the powers it needs to encourage and support a proliferation of co-operative and community-led housing.
- 2.3 As the community empowerment agenda in Scotland deepens and matures, this will create more fertile conditions for co-operative and community-led housing. These housing options are best introduced to people as they come together to develop their common aspirations and explore their options for collective action.
- 2.4 Meanwhile, an aging population and an increase in and/or persistence of insecure and low paid work for many in Scotland, will cause precarity to rise. Giving people greater control

over their housing and making that housing more affordable and secure is a great way to mitigate precarity. In this context we believe co-operative and community-led housing could become more popular.

- 2.5 Similarly, an increasingly urgent desire to mitigate and adapt to the climate emergency could also drive interest in, and need for, co-operative and community-led housing, because of the ability to combine eco-efficiency with affordability.

#### Overcoming financial constraints

- 2.6 Co-operative and community-led housing is well-placed to deliver on key principles in the proposed vision for 2040, such as affordability and eco-efficiency. And crucially it can do so by mobilising significant private investment and social capital.
- 2.7 Co-operative and community-led housing also offers Scottish Government an opportunity to invest public funds on a joint basis with communities, in ways that generate significant social value-added. But much new co-operative and community-led housing can be funded without any public money at all.
- 2.8 An increase in the scale and sophistication of social impact investing can provide increased sources of appropriately structured and mission-aligned investment for co-operative and community-led housing. Some proven but little-known financing arrangements in the co-operative and community-led housing could become more mainstream.
- 2.9 These arrangements include community shares, a highly successful social investment model which provides community businesses with low cost, mission-aligned equity, usually crowdfunded from local people. The model is instrumental in enabling communities to acquire ownership of assets and enterprise. It is increasingly used by community land trusts,<sup>1</sup> development trusts<sup>2</sup> and co-operative consortiums.<sup>3</sup> Scottish Government currently promotes and supports the use of community shares through Community Shares Scotland.<sup>4</sup>
- 2.10 Another model is loan stock, a debt-based instrument that private sector housing co-operatives have long used to fund property acquisitions, usually crowdfunded from co-operatively-minded social investors.<sup>5</sup>
- 2.11 Potentially, Scotland's leadership in community bonds could also be built on to raise mission-aligned finance for co-operative and community-led housing. Organisations such as Scottish Communities Finance could play a pivotal role in developing this market.<sup>6</sup>

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<sup>1</sup> For example, see the St Ives CLT community share offer on social crowd funding platform Ethex: <https://www.ethex.org.uk/StIvesCLT>

<sup>2</sup> <https://www.theguardian.com/uk-news/2018/feb/25/leeds-suburb-of-headingley-launches-own-investment-fund>

<sup>3</sup> <https://www.ethex.org.uk/sch>

<sup>4</sup> <https://communitysharesscotland.org.uk/>

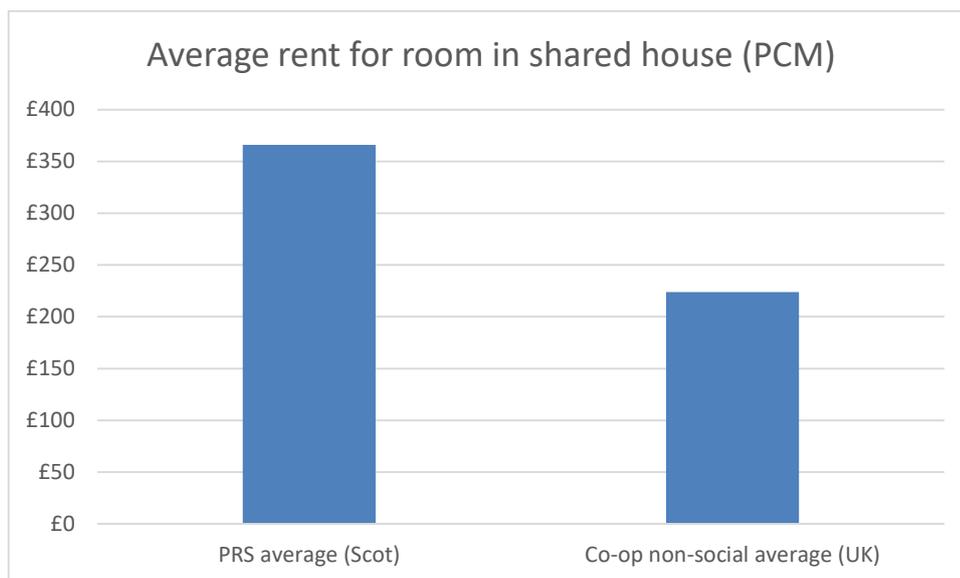
<sup>5</sup> <https://www.radicalroutes.org.uk/rootstock-ethical-investment-scheme.html>

<sup>6</sup> <https://scotcomfinance.scot>

### 3 Question 3 Do you have any proposals that would increase the affordability of housing in the future?

Proposition: Encourage and support the proliferation of co-operatives in the private rental sector

- 3.1 Private rental co-operatives are significantly more affordable than other private rental options. Our data shows the average rent for a room in private (non-social) shared housing co-operative in the UK is £224 per calendar month (PCM). This is 34 per cent less than the £366 PCM average for a room in a shared house in the private rental sector in Scotland.<sup>7</sup>



Data from Friendly Housing Action and Scottish Government

- 3.2 Clearly, the co-operative model offers an affordable alternative to renting a room in a shared house from a private landlord.
- 3.3 Scottish Government should also note that some non-socially registered housing co-operatives provide self-contained dwellings for rent, rather than rooms in shared houses.
- 3.4 And crucially, housing co-operatives in the private rental sector combine affordability with unrivalled control over housing, as well as greater community. **It is this ability of co-operatives to deliver significant benefits at the intersection of affordability, control and community in the private rental sector that is so important.**
- 3.5 We believe the 'secondary'/federated' co-operative model could be instrumental in enabling a proliferation of private rental co-operatives. The approach being pioneered in the UK's nascent student housing co-operative sector, involves individual housing co-operatives forming a secondary co-operative (called Student Co-operative Homes), which then raises capital and acquires properties which are then leased to the constituent co-operatives.<sup>8</sup> These secondary co-operatives can also support individual co-operatives with

<sup>7</sup> This uses data on rent levels in non-socially registered housing co-operatives across the UK, provided to us by Friendly Housing Action and Scottish Government's [official housing data](#) for 2018.

<sup>8</sup> [Student Co-op Homes](#) has just raised over £320,000 in four months and is going from strength to strength

administration and maintenance, making the option more attractive and accessible to a wider population of renters. Crucially, the housing co-operatives exercise full control over this federal structure, which remains not-for-profit and mutually purposed.

3.6 Please see **Annex 1** for our specific policy proposals.

*Proposition: Encourage the proliferation of Mutual Home Ownership Societies*

3.7 Mutual Home Ownership Societies (MHOS) are a new co-operative model which enables tenant-members to buy a withdrawable share in the value of their home. Tenant-members acquire withdrawable shares in the equity of the MHOS, not directly in the house they live in. If tenant-members move on from the MHOS, they can withdraw these shares at a value related to the value of the property they are vacating.<sup>9</sup>

3.8 MHOSs not only provide affordable housing for rent but they also allow tenants to build a portable equity stake that can help them onto the housing ladder if they so wish. Again these benefits are combined with greater control over housing, a focus on quality and eco-efficiency and enhanced community.

3.9 The MHOS model has been pioneered by Lilac Housing Co-operative in Leeds, which groups around the country are currently working to replicate.<sup>10</sup>

3.10 Please see **Annex 1** for our specific policy proposals.

*Proposition: Encourage and support mutual models of land ownership*

3.11 The current operation and outcomes of land markets often contribute to a lack of affordable housing where it's needed. There are mutual models of land ownership which are proven to deliver better outcomes in terms of affordability, community empowerment, eco-efficiency and meeting distinct needs.

3.12 A community land trust (CLT) is an organisation specifically created to own land and buildings for the benefit of a community of place and/or interest, in perpetuity.<sup>11</sup> Often people in the community can be members of the CLT and exercise democratic control over it. It is also increasingly common for the community to contribute financially to CLTs, for example using the community shares model.<sup>12</sup>

3.13 Evidence suggests that CLTs are effective in delivering more affordable housing for both rent and ownership,<sup>13</sup> especially by locking in affordability over the long term.<sup>14</sup> This is because the purpose and business model of a CLT is oriented towards lower ground rents, yields and returns on investment. CLTs are able to impose conditions that ensure tenancy rents remain low and that restrict resale price inflation in shared equity schemes. Conversely, other landowners seek to maximise their yields and returns on investment,

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<sup>9</sup> <https://ukmhos.weebly.com/>

<sup>10</sup> <https://ukmhos.weebly.com/groups.html>

<sup>11</sup> For an overview of a CLT see here: <http://www.communitylandtrusts.org.uk/what-is-a-clt/about-clts>

<sup>12</sup> For example, see the prospectus from the very successful Leeds Community Homes Community Share Offer: <https://www.leedscommunityhomes.org.uk/uploads/2019/02/01/LCH%20Share%20Offer%20Final.pdf>

<sup>13</sup> Dr Tom Moore (2014) '[The effects and prospects of community land trusts in England](#)'

<sup>14</sup> <https://groundedsolutions.org/sites/default/files/2018-10/13%202006-Shared-Equity-Homeownership.pdf>

through rents and appreciation in value on sale, which inflates housing costs.

- 3.14 There are also land trusts that do the same thing but at greater than community scale. Here the focus is usually on acquiring land and/or properties to facilitate the affordable development and running of particular housing models, such as for co-operatives.<sup>15</sup>
- 3.15 These mutual models of land ownership achieve outcomes in markets and provide land on terms that increase the viability of affordable housing in general, and co-operative and community-led housing in particular.
- 3.16 Please see **Annex 1** for our specific policy proposals.

*Proposition: Encourage and support a greater role for community-led housing developers in Scotland's house building*

Community-led housing often involves CLTs but also encompasses a broader range of housing developers. According a national body, Community-Led Homes, community-led housing is where:

*“Open and meaningful community participation and consent takes place throughout the process; The community group or organisation owns, manages or stewards the homes in whichever way they decide to; The housing development is of true benefit for the local community, a specific group of people (an intentional community), or both. These benefits should also be legally protected in perpetuity.”*<sup>16</sup>

- 3.17 Community-Led Homes describes six, often overlapping, types of community-led housing: cohousing; CLTs; community self-build; development trusts; housing co-operatives and self-help housing.<sup>17</sup>
- 3.18 As with CLTs, there is evidence to suggest that these co-operative and community-led housing developers have a track record in providing more affordable housing for private rent and purchase.<sup>18</sup>
- 3.19 Please see **Annex 1** for our specific policy proposals.

**4 Question 4 Do you have any proposals that would increase the accessibility and/or functionality of existing and new housing (for example, for older and disabled people)?**

*Proposition: encourage and support a proliferation of co-operative and community-led housing*

- 4.1 The degree of control co-operative and community-led approaches give people over their housing certainly increases functionality for people with specific needs and aspirations. Scottish Government has already recognised the potential for ‘co-housing’ (one co-

<sup>15</sup> CLT British Columbia is an exemplar of mutual land ownership and affordable property development working at scale, with more than 1,600 affordable homes delivered via co-operatives and other schemes.

<sup>16</sup> <https://www.communityledhomes.org.uk/what-community-led-housing>

<sup>17</sup> Ibid

<sup>18</sup> <https://neweconomics.org/2018/05/making-the-case-5>

operative approach) to benefit an aging population.<sup>19</sup> Indeed all examples of co-operative and community-led housing involve groups of people working together to provide housing that meets their common needs and aspirations. It is fundamental to these models.

4.2 Please see **Annex 1** for our specific policy proposals.

**5 Question 5 Do you have any proposals that would help us respond to the global climate emergency by increasing the energy efficiency and warmth and lowering the carbon emissions of existing and new housing?**

*Proposition: encourage and support a greater role for co-operative and community-led house builders*

5.1 Co-operative and community-led housing developers are particularly well-placed to build to a high degree of eco-efficiency, while still delivering affordability. This is especially the case among market actors outside of the social housing sector. This is because of their distinct purpose and ownership model, which builds homes that meet common needs and aspirations, rather than to generate a return on investment. Lilac Housing Co-operative (in Leeds) and the CLT Leeds Community Homes are both great recent examples of this.

5.2 Therefore, supporting a significant increase in the percentage of new homes being built by co-operative and community-led developers is an important route towards increasing the amount of *affordable* eco-efficient homes developed by the private sector.

5.3 Please see **Annex 1** for our specific policy proposals.

*Proposition: encourage and support an expansion of co-operative ownership in the private rental sector*

5.4 Outside the social housing sector, most property owners are currently poorly placed to make the required investments in eco-efficiency. Most home owners will need significant assistance to make these investments. See our proposition to '*encourage and support co-operative and community approaches to retrofitting*' in paragraphs 5.8 to 5.14 below. Meanwhile private rental sector landlords are in the business of extracting surplus value from the properties they let. Many let just one property for a supplementary income. And most professional landlords run their businesses on tight margins. In both cases there is often little scope for investment in eco-efficiency.

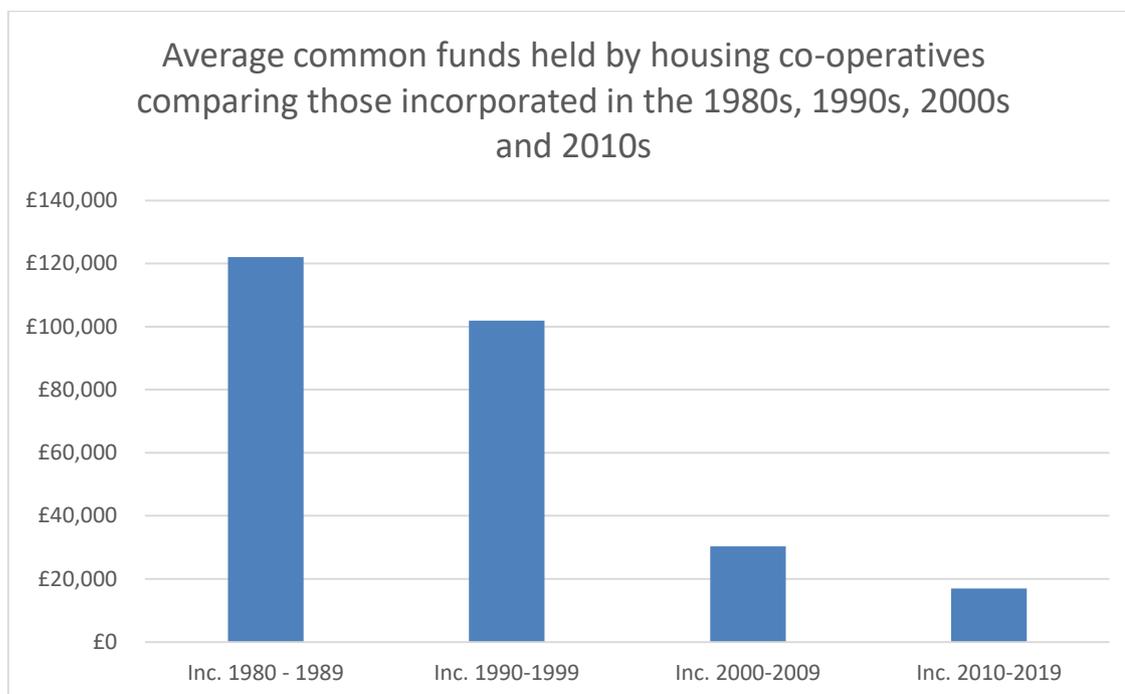
5.5 In contrast, private rental co-operatives stand out for their ability to build up significant surpluses that can be reinvested in eco-efficiency measures. These co-operatives meet their costs (mortgage, maintenance, administrative) from the rent paid by their member-tenants. Over time these co-operatives build up operating surpluses which cannot be distributed to members and must instead be reinvested in the co-operative, held in reserve,

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<sup>19</sup> Scottish Government (2011) ['A Strategy for Housing Scotland's Older People 2012-2021'](#)

or used for some other co-operative or community-oriented purpose.<sup>20</sup>

- 5.6 The chart below shows that housing co-operatives that have been around longer have on average larger common funds. But our data also shows that even after just ten years, many co-operatives have built up common funds of many thousands of pounds.<sup>21</sup> We should expect any private rental housing co-operatives forming now to have useful common funds available to invest in eco-efficiency measures by 2030 or earlier.



*Co-operatives UK dataset using official data from the FCA Mutuals Register*

- 5.7 Please see **Annex 1** for our specific policy proposals.

*Proposition: Encourage and support co-operative and community approaches to retrofitting*

- 5.8 Co-operative and community-led retrofitting includes:

- Retrofitting co-operatives/community organisations, which enable households to access trustworthy and affordable retrofitting services, while coordinating community retrofitting programmes
- Community heating schemes through which local people pool capital to develop their own community (district) renewable heat system
- Community electricity generation schemes which reinvest surpluses earned from generation in community retrofitting programmes

- 5.9 A major benefit of these approaches is the enhanced participation and take-up of

<sup>20</sup> This is a fundamental feature of the housing co-operative model. See model rules for a housing co-operative: clause 10 (share capital, stipulating £1 non-transferable shares that do not give a share in the underlying assets of the co-op), clauses 94-97 (surpluses) and clauses 30 and 31 ('asset lock') <https://www.uk.coop/developing-co-ops/model-governing-documents/housing-co-operative-society>

<sup>21</sup> This is drawn from our own dataset, which itself draws on the official FCA Mutuals Register data. The data shown here covers all housing co-operative societies in the UK incorporated from 1980 onwards, with 10 tenants or less, having removed outliers with funds over £1million.

households, including those that are ‘hard to reach’ because of financial constraints, limited awareness and understanding and even disinterest and cultural disinclination. The ability to lower costs for households is often a factor here (see 5.12 below) but evidence suggests two other sets of factors are very important.

- 5.10 Firstly, households who are drawn in to community-led action alongside their neighbours and peers are more likely to become motivated to learn about energy saving and environmental crises and to spend their money on retrofitting.<sup>22</sup> The valuable roles played by place and community in driving momentum and uptake of domestic energy efficiency are recognised in the official evaluation of Scottish Government’s Energy Efficient Scotland pilots.<sup>23</sup> This ability of community organisations to employ social capital and social pressure to shift people’s emotions, views, choices and behaviours has enormous, largely untapped, potential.
- 5.11 Secondly, community co-operatives/organisations are very well-placed to provide households with additional support and services which make retrofitting more appealing. This includes trusted, impartial information and advice on technical matters that is provided by experts via a community organisation, not by marketing materials or a salesperson.<sup>24 25</sup> It also includes critical help with more mundane aspects of retrofitting, such as clearing lofts and having a daytime ‘refuge’ from disruptive works, which can often be provided through reciprocal community networks.<sup>26</sup>
- 5.12 Crucially, community co-operative approaches to retrofitting can also lower costs for households by coordinating and in some cases bundling their demand. One community retrofit pilot reported achieving discounts of 25 per cent to 50 percent by bundling multiple household retrofits into single contracts, though the pilot also demonstrated that if this is not managed effectively, then this can create operational issues at the same time.<sup>27</sup>
- 5.13 Scottish Government and the UK government will need to make house retrofitting and eco-efficiency a top infrastructure priority, with public investment on a massive scale, if we are to have any chance of making the required CO2 emission reductions. But there will always be a limit to what public money can achieve on its own. To make the impact required, this money will need to be combined with private investment, household wealth and social action. And we believe it will must be invested in ways that harness the power of community to shift people’s understanding, emotions, choices and behaviours.
- 5.14 Lessons learned from community retrofit pilots that drew on public money (ECO), suggest public funding programmes will have be better managed, less administratively burdensome and more flexible. They will also need to provide revenue and capital funding to enable

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<sup>22</sup> [http://urbed.coop/sites/default/files/20150923\\_Cheshire%20Lehmann%20final%20report\\_0.pdf](http://urbed.coop/sites/default/files/20150923_Cheshire%20Lehmann%20final%20report_0.pdf)

<sup>23</sup> <https://heatandthecity.org.uk/wp-content/uploads/2018/11/EES-Pilot-Evaluation-Phase-1-Final-Report1.pdf>

<sup>24</sup> [http://i.emlfiles1.com/cmpdoc/6/8/8/9/2/files/410700\\_uk-pulse-report-sept-2016-final.pdf](http://i.emlfiles1.com/cmpdoc/6/8/8/9/2/files/410700_uk-pulse-report-sept-2016-final.pdf)

<sup>25</sup> <https://cc-site-media.s3.amazonaws.com/uploads/2018/01/Carbon-Co-op-Case-Study-Final.pdf>

<sup>26</sup> Ibid

<sup>27</sup> Ibid

organisations to run community retrofit programmes effectively.<sup>28</sup> Ensuring they have use of effective and easy to use digital tools for project coordination, and training in how to use these tools, could be especially impactful.

**6 Question 6 Do you have any proposals that would improve the quality, standards and state of repair of existing and new housing?**

*Proposition: Support a greater role for co-operative and community-led housing developers*

6.1 Because the ownership and business models of co-operative and community-led developers are geared towards delivering housing that meets common needs and aspirations, rather than return on investment, they are well-placed among private developers to build to a decent standard.

6.2 Please see **Annex 1** for our specific policy proposals.

*Proposition: Support the conversion of existing housing stock to co-operative and community ownership or management*

6.3 The purpose, ownership, governance and financial rules for private rental housing co-operatives mean they are especially well-placed to maintain high standards of repair and so on. As set out above, these co-operatives build up common funds which cannot be distributed for private gain and are primarily committed to the maintenance and development of the co-operative and its properties.

6.4 Please see **Annex 1** for our specific policy proposals.

**7 Question 7 Do you have any proposals that would improve the space around our homes and promote connected places and vibrant communities?**

7.1 Supporting a proliferation of co-operative and community-led housing will generate significant value-added in terms of community and place. This was borne out in primary research for the Scottish Parliament's Cross Party Group on Co-operatives, covering three co-operative housing models. Enhanced community was found to be a benefit felt by tenants of a large student halls, a shared house and a social housing scheme.<sup>29</sup>

**8 Question 8 Any other comments?**

8.1 The benefits of co-operative and community-led housing cut across many questions and themes, as do our specific policy proposals. Thus we have found it difficult to present our evidence, analysis and policy proposals in the format provided, as this would have led to even more repetition that is already here.

8.2 Please see **Annex 1** for details of our specific policy proposals.

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<sup>28</sup> Ibid

<sup>29</sup> <https://www.uk.coop/resources/shared-space>

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## Annex 1: Policy proposals

In answering questions 3 to 7 we have made the following proposals:

- *Encourage and support mutual models of land ownership*
- *Encourage and support a greater role for co-operative and community-led house builders*
- *Encourage and support the proliferation of co-operatives in the private rental sector*
- *Encourage and support the proliferation of Mutual Home Ownership Societies*
- *Support the conversion of existing housing stock to co-operative and community ownership or management*

Policy measures to achieve the above will need to address the following factors:

- Awareness and understanding of co-operative and community-led housing within communities, in public authorities and among social impact investors
- Mobilisation of social capital in communities
- Timely access to expert advice and support
- Timely access to suitable finance
- Access to land
- Enabling laws and regulations

Our specific policy proposals for Scottish Government as detailed in the table over page.

We also suggested that Scottish Government should *encourage and support co-operative and community approaches to retrofitting*. As this proposition does not relate to co-operative and community-led housing, we made specific recommendations in the main text.

Policy measure	Relevant propositions	Policy outcomes	Cost
<p><b>Awareness and support pilot</b></p> <p>Scottish Government could fund a five year pilot programme tasked with:</p> <ul style="list-style-type: none"> <li>• increasing awareness of people’s awareness and understanding of their co-operative and community-led housing options</li> <li>• providing people with access to expert advice and support</li> <li>• helping people identify and access/raise appropriate finance where needed</li> </ul> <p>The programme should operate a hub and spoke model, with coordination and access to expertise managed by Co-operative Development Scotland, but with outreach and awareness activities delivered in communities as part of wider community-led local development.</p> <p>A wide range of community organisations in Scotland would be likely beneficiary of advice and support.</p> <p>Crucially, this pilot should include support for the development of secondary/federated co-operatives (see 3.14).</p>	<p><i>Encourage and support mutual models of land ownership</i></p> <p><i>Encourage and support a greater role for co-operative and community-led house builders</i></p> <p><i>Encourage and support the proliferation of co-operatives in the private rental sector</i></p> <p><i>Encourage and support the proliferation of Mutual Home Ownership Societies</i></p> <p><i>Encourage and support co-operative and community approaches to retrofitting</i></p> <p><i>Support the conversion of existing housing stock to co-operative and community ownership or management</i></p>	<p>Increased instances of people becoming aware of their co-operative housing options, in applicable contexts</p> <p>Increased instances of groups progressing from exploration to successful take-up of co-operative housing option</p>	<p>£2.9 million over five years<sup>30</sup></p>

<sup>30</sup> Based on a £1m three year [programme](#) with Welsh Government funding, adjusted for Scotland’s larger population and over five years.

Policy measure	Relevant propositions	Policy outcomes	Cost
<p><b>Action research projects</b></p> <p>Scottish Government could provide financial and non-financial support to action-research projects, in which co-operative and community-led housing schemes are developed.</p> <p>As part of the projects learning and evidence could be gathered on barriers, enablers, good practice, and environmental, social and economic impacts.</p> <p>Projects could be selected on the basis of participation of different interest groups (such as people with additional needs) or with different aims (such as low cost and high eco-efficiency).</p> <p>Projects could also cover a range of models, including land trusts and, importantly, federated models in which smaller co-operatives form a secondary co-operative to pool capacity and risk.</p>	<p><i>Encourage and support mutual models of land ownership</i></p> <p><i>Encourage and support a greater role for co-operative and community-led house builders</i></p>	<p>Government and practitioners will have a deeper understanding of the benefits of co-operative and community-led housing, as well as the challenges are and how policy could be targeted to help people overcome them.</p>	<p>To give one indication of costs, Craigmillar Eco Housing Co-operative would be willing to share relevant documents for closer scrutiny.</p>

<p>There are a number of possible projects that appear to offer a lot from an action-learning perspective, such as the proposed Craigmillar Eco Housing Co-operative, which already has support from Edinburgh City Council and Edinburgh University.<sup>31</sup> As the name suggests, this co-operative aims for a very high degree of eco-efficiency. A suitable contractor is waiting in the wings. The co-operative would be happy to co-opt a Scottish Government representative to its Board.</p>			
Policy measure	Relevant propositions	Policy outcomes	Cost
<p><b>Co-operative and Community-led Housing Fund</b></p> <p>Guided by the aspirations of communities, Scottish Government could create a fund within a future More Homes programme to finance co-operative and community-led builds.</p> <p>This fund should be open to all co-operative and community-led builders, including a wide range of community organisations and, crucially, secondary/federated co-operatives (see 3.5).</p> <p>For comparison, the Westminster Government allocated £163 million over three years to support co-operative and community led development in England, through the Community Housing Fund.<sup>32</sup></p>	<p><i>Encourage and support a greater role for co-operative and community-led house builders</i></p>	<p>This could drive a step-change in the volume of co-operative and community-led development, leading to more new housing that is of high quality, affordable, eco-efficient, good for community and empowering.</p> <p>This in turn will help co-operative and community-led housing to be more widely understood and more normalised.</p>	<p>£26 million over five years<sup>33</sup></p>

<sup>31</sup> <https://www.ed.ac.uk/arts-humanities-soc-sci/research-ke/industry-engagement/projects/using-innovative-research-led-learning-to-co-desig>

<sup>32</sup> <https://www.gov.uk/government/publications/community-housing-fund-prospectus>

<sup>33</sup> Based on the £163 million spent in England over three years via the Community Housing Fund, adjusted for Scotland's smaller population and over five years.

Policy measure	Relevant propositions	Policy outcomes	Cost
<p><b>Community Investment Housing Booster</b></p> <p>Scottish Government could create a fund to make joint and/or match investments alongside communities, in community shares and bond issues that are raising money for land and/or housing development and/or acquisition.</p> <p>This would add diversity to Scottish Government's existing joint investment in affordable housing, via its £115 million of investments in Allia's Scottish Charitable Bonds.<sup>34</sup></p> <p>This could also draw on the example the Community Shares Booster programme funded with Lottery money in England.<sup>35</sup></p> <p>Crucially, the Community Investment Housing Booster must be permitted to invest in secondary/federated co-operatives (see 3.5).</p>	<p><i>Encourage and support mutual models of land ownership</i></p> <p><i>Encourage and support a greater role for co-operative and community-led house builders</i></p> <p><i>Encourage and support the proliferation of co-operatives in the private rental sector</i></p> <p><i>Support the conversion of existing housing stock to co-operative and community ownership or management</i></p>	<p>This could encourage a greater allocation of private capital to co-operative and community-led housing, enabling a more rapid expansion of these housing models.</p> <p>It could also open up these housing models, and these financing routes, to be used in more challenging socio-economic contexts, where the social impacts and value added could be especially significant.</p>	<p>At least £1 million of five years<sup>36</sup></p>

<sup>34</sup> <https://allia.org.uk/our-blogs-and-news/scottish-government-commits-another-40-million-in-allias-scottish-charitable-bonds/>

<sup>35</sup> <https://www.communitysharesbooster.org.uk/>

<sup>36</sup> Based on £1,500,000 worth of expressions of interest to the English Community Shares Booster programme, from communities planning housing share offers, over two years, taking into account Scotland's smaller population but greater potential for community-led action.

Policy measure	Relevant propositions	Policy outcomes	Cost
<p><b>Community Right to Buy and Asset Transfer</b></p> <p>Scottish Government could amend the Community Right to Buy and Asset Transfer legislation, to enable asset locked, ‘fully mutual’ housing co-operatives, <sup>37</sup> and their secondary/federated co-operatives (see 3.5), to exercise these rights.</p>	<p><i>Encourage and support mutual models of land ownership</i></p> <p><i>Encourage and support a greater role for co-operative and community-led house builders</i></p> <p><i>Encourage and support the proliferation of co-operatives in the private rental sector</i></p> <p><i>Encourage and support the proliferation of Mutual Home Ownership Societies</i></p>	<p>Housing co-operatives that are legally committed to not-for-profit mutual housing provision would have a better chance of acquiring land.</p> <p>More land would be used to develop housing that delivers affordability, empowerment, community and eco-efficiency, outside of the social sector and via private resources.</p>	<p>No cost</p>

<sup>37</sup> <http://www.legislation.gov.uk/ukpga/2010/4/part/13/chapter/7>

Policy measure	Relevant propositions	Policy outcomes	Cost
<p><b>HMO licencing legislation</b></p> <p>Scottish Government could amend its HMO licencing legislation, so that it extends the licencing exemption it currently provides for co-operatives that 'own' their property, to those that 'control or manage' their HMO without actually owning it.<sup>38</sup></p> <p>This amendment would mirror the exemption currently in operation in England.<sup>39</sup></p>	<p><i>Support the conversion of existing housing stock to co-operative and community ownership or management</i></p> <p><i>Encourage and support the proliferation of co-operatives in the private rental sector</i></p>	<p>This would remove an unnecessary regulatory burden for private rental co-operatives that use the secondary/federated co-operative model (see 3.5). In turn this will enable a more rapid proliferation of private rental co-operatives, by making property acquisition easier and making the housing option more attractive and accessible to a wider population of renters.</p>	<p>No cost</p>
Policy measure	Relevant propositions	Policy outcomes	Cost
<p><b>Land and Buildings Transaction Tax</b></p> <p>Scottish Government could grant a carefully-targeted relief from Land and Buildings Transaction Tax on additional property purchases made by co-operative and community-led housing providers, including their secondary/federated co-operatives (see 3.5).</p>	<p><i>Support the conversion of existing housing stock to co-operative and community ownership or management</i></p> <p><i>Encourage and support the proliferation of co-operatives in the private rental sector</i></p>	<p>Such a relief would help mitigate the significant disadvantages that these socially-purposed, not-for-profit housing providers experience in land and property markets, when competing with more commercially powerful, speculative, return-seeking market actors.</p> <p>This in turn would help expand the supply of affordable, empowering, eco-efficient, quality housing in the private sector.</p>	<p>Requires modelling</p>

<sup>38</sup> See 126 (1) (g) of the Housing (Scotland) Act 2006 [here](#)

<sup>39</sup> See [here](#)

	<i>Encourage and support mutual models of land ownership</i>		
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