

A PRACTICAL GUIDE



FAITH IN AFFORDABLE HOUSING

Using church land and property
for affordable housing



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Notes:

- Glossary.** The terms appearing in *green italics* are explained in the Glossary.
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- The guide has links to glossary terms and other sections within the document. If after following one of these links you wish to return to the text you were previously reading, please press the Alt + left arrow keys together.**
- Homes and Communities Agency (HCA).** During the compilation of this guide the Housing Corporation, which funded and regulated housing associations in England, was dissolved. On 1 December 2008 it was replaced by the Homes and Communities Agency (HCA) and the Tenant Services Authority (TSA). The HCA brings together housing and regeneration into one national agency. It combines English Partnerships, the investment programme of the Housing Corporation, the Academy for Sustainable Communities and key housing and regeneration programmes, which were delivered by Communities and Local Government. The TSA took over the Housing Corporation's regulatory function, including setting performance standards, and powers to improve services for tenants.

FOREWORDS

The prophecy of Micah includes a vision of ‘the days to come’ in which people will ‘sit under their own vines and under their own fig trees, and no one shall make them afraid’ (Micah 4.4). While the passage does not specifically mention a house, it nevertheless conjures up a picture of domestic security and provision which leads to contentment. In another prophetic passage, those who find themselves exiled from Jerusalem to Babylon are told to ‘build houses and live in them; plant gardens and eat what they produce’ (Jeremiah 29.5). The building of houses is part of the process of beginning to belong in a new and strange place. A home in which one may be safe, content and secure is crucial for human well-being; in our culture that means having a house or flat which is decent and affordable, and where one’s tenure is secure.



It was as an inner-city parish priest that, over twenty years ago, I first encountered people who did not have decent, affordable and secure homes. In more recent years I have come to know rural communities and discovered the same issues – sometimes, indeed, the need is even more acute there. Involvement with housing associations has been part of my personal response but I have sometimes felt that, though that response was informed by my Christian faith, I was living in two worlds – the world of Christian ministry through the Church, and the world of housing engagement through housing associations. The work of Housing Justice

in general, and of the Faith in Affordable Housing project in particular, brings those worlds together. For here is good practical guidance as to how church communities (and perhaps other communities of faith as well) can contribute to the meeting of housing need, especially through making land available.

Availability of land at reasonable cost is vital for the provision of affordable housing. Without it schemes cannot be completed at costs that permit rent levels to be affordable. At the same time of course, church communities need to use their assets effectively to support their mission and ministry. This guide shows how both aims may be achieved together. It is a practical guide whose value will lie in being used – it is, therefore, being made available free in order that it can be distributed and shared as widely as possible.

It is for me to thank those individuals who have worked on this guide and those organisations that have funded their work. The reward for all of them will be the schemes that are assisted into being by the advice given here, and especially the knowledge of human lives enriched by the provision of secure and affordable homes.

Rt Revd James Langstaff

Bishop of Lynn

Chair of Housing Justice

Throughout Britain's history, Christian churches have been a powerful force for good at the forefront of building a more just society. In past centuries, churches led the campaign to abolish slavery and were instrumental in creating a universal education system. More recently, churches have taken the lead in fighting for trade justice for developing nations, raising awareness of the modern-day slavery of people trafficking and campaigning against child poverty.



It is an impressive record that Christians can be proud of. However, I think it fair to suggest that churches have yet to fulfil their enormous potential to help meet one of Britain's greatest social challenges: the acute and growing need for affordable housing. Shelter is a basic human need, but successive governments have failed to plan for and provide sufficient housing. And in common with most public policy failures, the poor and vulnerable have suffered most as a result. At the end of 2007, almost 80,000 households were living in temporary accommodation. The Local Government Association predicts that 5 million people in England will be waiting for an affordable home by 2010.

This important and timely publication demonstrates churches' increasing recognition of the housing crisis and their potential role in helping to solve it. The Church of England and other denominations are stewards of vast property and land assets throughout Britain. Releasing

a proportion of unused and under-utilized assets for affordable housing is one effective way churches can fulfil their social mission whilst generating significant additional income. There are obvious potential benefits for congregations, housing associations and, most importantly, the growing number of our fellow citizens currently without a decent, affordable home.

Churches have a presence in almost every community and the case studies included demonstrate impressive achievements in providing new affordable homes from city centres to sparsely populated counties. Examples from Northumberland to Wiltshire show how churches can play a uniquely important role in keeping villages alive. Making land available for affordable housing in rural areas will greatly help villages survive as living, working communities sustaining local schools and shops, rather than becoming moribund enclaves of the rich and elderly.

Although property development is rarely straightforward, accessing the best help and advice can make it much simpler. This guide will valuably assist churches considering whether and how to make their land or buildings available for affordable housing. Reliable advice can be accessed without obligation from the agencies and charities listed inside. The wide variety of development options that churches can pursue with housing associations and other housing providers are helpfully set out.

I am delighted that the Homes and Communities Agency, Tenant Services Authority, Commission for Rural Communities, Quaker Housing Trust, Church of England and Housing Justice have produced this excellent guide for churches. The National Housing Federation and our 1,300 member housing associations look forward to developing stronger partnerships with churches to deliver urgently needed affordable homes.

David Orr
Chief Executive
National Housing Federation



‘What we are doing is just a drop in the ocean. But if that drop was not in the ocean, I think the ocean would be less because of that missing drop.’

Mother Theresa, 1910–97

Churches have a long history of participation in housing provision, having been involved in setting up many housing associations and founding organisations such as the Churches National Housing Coalition (CNHC), Housing Justice and [Shelter](#). The concern of churches for housing the poor stems from reflection on issues of justice in the Bible and subsequently reinforced by teaching on social responsibility. Christians are called to attend to the practical needs of their neighbour, and to work for the welfare of the community in which they live, with no other motivation than obedience to God and love of their neighbour. However, are churches using their considerable assets as effectively as possible to address today’s issues? Could churches that are major landowners consider placing those assets at the service of their neighbour in need?

In 1990, the Archbishops’ Commission on Rural Areas stated that ‘there is a very special place in this debate for the Church of England as the holder of glebe land. Very frequently the role of the Church as landowner has been impressed upon us ... and we feel strongly that the Church must take a lead in this area.’ More recently, in May 2007, the [Building and Social Housing Foundation](#)’s conference at St George’s House, Windsor Castle, concluded that ‘the churches have a vital role to play throughout rural local communities with their widespread and respected presence in rural areas. Their assets of land and property could be used more imaginatively to help provide affordable housing in perpetuity for their local communities, as well as increasing their income.’

The Faith in Affordable Housing Project was funded by the [Tenant Services Authority](#), [Homes and Communities Agency](#), [Housing Justice](#), the [Commission for Rural Communities](#), the [Quaker Housing Trust](#) and the [Church of England](#) in order to consider ways in which churches – across denominations – could contribute to the provision of affordable housing. The project follows on from the *Churches and Housing Handbook: Using Church Land and Property to Provide Affordable Housing* (Churches National Housing Coalition, 1994), which required substantial updating, and a similar and very successful project by [Scottish Churches Housing Action](#) (SCHA), which in 2006 published a handbook by Catherine Killin, *Make*

It Happen. In its pilot programme the SCHA gathered information from nine different denominations, identifying 117 projects, including 48 completions, which provided a total of 400 affordable homes on church land and property. The SCHA is now working with several churches to facilitate the development of further affordable housing (Scottish Churches Housing Action, 2008).

The Faith in Affordable Housing project sent a survey to the property and finance personnel of all the main Christian denominations. This identified 12 Church of England dioceses that had sold or leased land since 1 January 2000 solely for affordable housing, or were in the process of doing so. It also identified four Church of England dioceses, two Methodist churches and a United Reformed church that had developed or were currently in the process of converting buildings into affordable homes within the same timeframe. Furthermore, four Church of England dioceses had used their terrier of land to promote actively the development of affordable homes with housing associations and/or Rural Housing Enablers. This highlighted what could be achieved by churches, when led by committed individuals with enthusiasm and vision.

This guide is intended to inspire church property and finance personnel to take positive action to increase the provision of affordable housing on church land and property. Sharing the intent of the CNHC handbook, it endeavours to encourage different denominations to work together, making the most of their resources of land, people and money. It aims to provide sound advice and to explain action that ecclesiastical property and finance authorities can take both to contribute to affordable housing and to benefit their church. It includes factual information on planning policies and charity law, and provides examples of good practice, renewing the advice produced by CNHC in 1994 and raising awareness among church personnel of the potential options for just stewardship of their assets. Although the guide is based in detail on England, many of the principles it contains could be applied across the UK.

The guide concentrates on circumstances where a church is considering developing a piece of land or building solely for affordable housing or community use. Whilst this guide is concerned with housing that may be subject to an agreement, under Section 106 of the Town and Country Planning Act, which can accompany planning permission to control occupancy of affordable homes in perpetuity, it is not aimed at circumstances where a church is fulfilling its obligations under the same Section 106, whereby planning permission

for an open-market site has been granted subject to the provision of a quota of affordable housing.

How we can help you

If you would like further help or advice about an affordable housing scheme using church land or property, please contact [Housing Justice](#), which has developed a database of existing church initiatives and can put you in touch with other church groups that have developed affordable housing. It is also working to build a network of regional partners from housing associations and other organisations to take on the role of enablers in the development of affordable housing. **Section 3.10** provides further information on how Housing Justice can help.

‘As Christians, all we possess are the gifts of God. Now in distributing it to others we act as his steward and it becomes our station to act agreeable to that divine wisdom which he graciously gives to his servants.’

John Woolman, *The Journal of John Woolman*, 1763



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Please note that the views of the authors and contributors are their own and not those of the sponsoring organisations. The facts and opinions are given in good faith and to the best of our knowledge. However, no reliance should be placed on matters of law contained herein without independent legal advice also being obtained on the implications of any particular case.

SECTION I: Preparing the ground

This section explains what affordable housing is and why it is needed. It looks at the UK government response to this need and discusses what churches can do to help. It also examines clarification of charity law: that the doctrine of Christianity itself may enable the ‘best value’ test to be passed.

I.1 What is affordable housing?

‘Affordable housing includes *social rented* and *intermediate housing* [e.g. *shared ownership*], provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices
- include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision’ ([Planning Policy Statement 3](#)).

I.2 Why is there a need for affordable housing?

In many parts of England there is a severe and increasing shortage of affordable housing. Since the 1980s, the sale of council houses and flats has shrunk the pool of rented accommodation. In rural areas, the growth of second home ownership and migration to the country of affluent commuters and retired people makes it extremely difficult for the adult children of local families to find affordable housing, and they are compelled to move away, damaging both community and family life. At the same time, house prices have risen well above the rate of inflation and the growth in incomes, pricing first-time buyers out of the market. The cost of the average home in England has tripled over the last 10 years to more than £200,000, and the cost of renting privately has increased by 50 per cent ([Reynolds et al., 2008](#)). In 2007, the ratio of lower quartile house prices to earnings reached an all-time high of 7.25 ([National Housing and Planning Advice Unit, 2008](#)). The result is that fewer people can afford to buy, and many will not be able to do so in the foreseeable future. Working people whose income is above the level entitling them to housing benefit and below the

level needed to afford a mortgage are under particular pressure. The number of households on housing waiting lists in England has increased by almost two-thirds in the past 10 years and is now at nearly 1.7 million ([Reynolds et al., 2008](#)).

During the production of this guide, the ‘credit crunch’ resulted in a downturn in the housing market. On average, house prices fell by 15.9 per cent in 2008 (Nationwide, 6 January 2009). At the time of writing, although further falls in house prices were predicted, the situation remained bleak for first-time buyers. Many UK banks have recently increased their arrangement fees, tightened up their lending criteria and reduced the amount that buyers can borrow against their salary. Furthermore, the medium- to long-term position looks no better for people needing affordable housing: around 60 per cent of affordable homes are delivered through planning obligations imposed on private developers and there was a 56 per cent drop in private sector new-builds in 2008 compared with 2007 ([National House Building Council, 2009](#)). The [National Housing and Planning Advice Unit \(2008\)](#) also warned that, as the ‘credit crunch’ eases, the under-supply of new homes will fuel another unsustainable rise in prices and that ‘as affordability continues to deteriorate, by 2026 around 1 million households would not have been able to form’.

‘In no economically advanced country – a sadly neglected matter – does the market system build houses the poor can afford.’

John Kenneth Galbraith, economist (1908–2006),
‘The tyranny of the contented – the majority of the voters’, *Washington Monthly*,
June 1992

I.3 Why is affordable housing important?

High prices and poor affordability have a significant impact on the population make-up of communities and the ability to deliver important services to an area. For example, a report by HBOS plc showed that the average house in nearly every town in Britain is unaffordable to most nurses. This has an obvious negative impact on sustainability, as many *key workers* are forced to commute from more affordable areas ([National Housing and Planning Advice Unit, 2008](#)). The growing divide between people who can afford a suitable home and those

who cannot has far-reaching consequences for children too. One in seven children in Britain lives in overcrowded housing. 'Children living in bad housing are almost twice as likely to suffer from poor health. They are also more likely to miss school, be unhappy and run away' ([Reynolds et al., 2008](#)).

During 2007, 64,970 families were accepted as statutorily homeless and in priority need by local authorities; 13 per cent of these were as a result of violent relationships. Those defined as in priority need include pregnant women, people with children, 16- and 17-year-olds, some care leavers, victims of fire, flood or other disasters, and those who are vulnerable for other reasons. The shortage of social housing means that only the most disadvantaged will be allocated housing. In 2007, there were a further 24,630 families who were unintentionally homeless, but not in priority need. Councils do not have a legal responsibility to provide accommodation for such people. Furthermore, the shortage of social housing means that many homeless and vulnerable households are forced to live in insecure temporary accommodation while they wait for a decent, permanent home. In 2007 three-quarters of families living in temporary accommodation had children ([Communities and Local Government, 2008](#)).

I.4 What has been the government response?

The UK government has indicated its commitment to delivering affordable housing in both urban and rural areas. It has pledged that 70,000 affordable houses a year will be built by 2010/11, including 45,000 social homes. Although this is encouraging, it is barely enough to meet current demand, and does not address the backlog of housing need. Furthermore, the government's targets for house building of all types (3 million homes by 2020) is unlikely to be met in the current climate unless there is a change of policy in favour of social housing to replace the collapse of private development.

The government also set up the [Affordable Rural Housing Commission](#) (ARHC) to find practical ways of improving access to affordable housing in rural areas. In April 2006 the ARHC recommended that the Church of England look in detail at its use of *glebe land* for the delivery of affordable housing, as a follow-up to its 1990 report *Faith in the Countryside*. It also suggested that 'other denominations look actively at their holdings to see how/where

they can contribute to delivery of affordable housing'. In addition, it recommended that the government determines whether charity law is inhibiting churches from making land available for affordable housing and, if so, provides greater flexibility so that land may be sold at less than market value. This guide responds to these issues raised by the ARHC.

Following the ARHC report, the Taylor Review of Rural Economy and Affordable Housing discussed with the Church of England the opportunities presented by glebe land in rural communities and received a positive response (see [Taylor, 2008](#), p. 110).

'Those who oppress the poor insult their Maker, but those who are kind to the needy honour him.'

Proverbs 14:31 (NRSV)

1.5 What can churches do?

'We need to find a way which addresses seriously the legitimate interests of the churches as organisations and of communities in which they own property. The churches have to pay staff and maintain their buildings. But they also have a spiritual duty to use their resources in relation to those most in need, in a way which is a sign to the secular world ... I am not arguing that the church should give away its resources. There is certainly a place for giving, but what I have to say is based on a wider view, as well as community interest, a long-term rather than short-term view, and the acceptance that the pursuit of gain while the community crumbles is bad economics as well as a betrayal of faith ... Alternatives to selling outright which raises the maximum cash now, are at least worth considering ... for example sharing the rents as a joint owner with a housing association ... [making] available redundant buildings for limited periods or longer.'

Ken Bartlett, previously Assistant Chief Executive of the Housing Corporation,
Poverty Network, 1992

Whilst it may be a main tenet for Christians to play a responsible role in society and to support those who are less fortunate than themselves, the ability of churches to make provision for affordable housing poses a financial problem to those whose remit is to maximise investment returns. The key to unlocking church land and responding to the Christian vision of churches requires a working balance between the social objective of valuing everyone and the pragmatic objective of complying with charity law and maximising investment returns to enable ministry to take place. This guide provides examples of how some churches have balanced these objectives and, with determination, have developed them for the benefit of the community in which they stand.

Many churches own land and property, which from time to time needs to be renovated or sold, and at all times needs to be responsibly used. Underused and redundant assets (for example, glebe land, or flats, houses, church halls, church schools and ancillary premises) can be a drain on resources; alternatively, they should become a source of income. The development of housing need not detract from – and often increases – income, whilst generating a social benefit. Developing surplus land and property makes for prudent management and often provides the opportunity to develop land and buildings on which planning permission would otherwise not be obtained.

Churches often support in principle the redevelopment of church land and property for social housing. However, not all have the capacity to overcome the hurdles involved. By reflecting on the experience of others, this guide aims to help churches to resolve dilemmas and increase capacity to fulfil their mission to transform unjust structures of society.

Churches cannot solve the UK housing problem by themselves, but they can make a significant contribution. As the Roman Catholic Pontifical Council for Migrants and Travellers stated: ‘Unused church resources (buildings) could be placed at the disposal of the development of affordable housing or shelter. Dioceses ... might consider developing a housing project for the homeless as a concrete sign of this first international meeting, if they have not already done so’ (Vatican City, 2007).

Both urban and rural communities need a supply of affordable housing to provide for people who work there, to live near family members, and to support local services. Just half an acre of land could accommodate around four homes and make a positive impact on

the sustainability of a small community. Bartlett (1994), quoted above, does not argue that churches should give away their resources. But he encourages churches to take a wider view that includes the interest of the local community and focuses on the longer term. This national project is designed to help churches to use their assets responsibly to generate affordable housing locally, and offers advice and support to help them do so.

‘The Church’s social teaching can be summed up as the obligation of every individual to contribute to the good of society, in the interests of justice and in pursuit of the “option for the poor”. This is the context most likely to foster human fulfilment for everyone, where each individual can enjoy the benefit of living in an orderly, prosperous and healthy society. A society with insufficient regard for the common good would be unpleasant and dangerous to live in, as well as unjust to those it excluded.’

Catholic Conference of Bishops in England and Wales, *The Common Good*, 1996, para. 73

1.6 Is there an obligation to achieve ‘best price’?

It is often said that the dominant constraint on using surplus land or buildings for affordable housing is the obligation of churches to obtain ‘best price’. There has been longstanding contrary advice on this matter, and individual churches, dioceses and denominations have taken differing views of the way in which their duties are discharged. While some sell on the open market, others do so on quite generous terms direct to interested parties, such as housing associations. However, those who administer the churches’ finances usually work on the principle that they have to obtain the highest cash return for property or land.

Although open to interpretation, the obligation to achieve ‘best price’ has often been taken to mean that ‘voluntary’ disposal at low cost to a *housing association* must be limited to *Rural Exception Sites* – sites within, or mostly adjoining, existing settlements, which would not normally be released for development, but which are allowed to be used to provide low-cost housing for local people in perpetuity (see [section 4.2.3](#) and [section 4.6](#) for more information). Planning and occupancy restrictions on Rural Exception Sites generate

a land value that is greater than that which could be obtained for agricultural use and therefore demonstrate the 'best price' obtainable by the charity for leasing or selling the land. Unfortunately, such opportunities are few and far between, and are limited to the rural fringes outside the settlement area that can generally be developed.

It is important for trustees to understand their legal obligations. The current situation in England and Wales is that, upon disposing of charity land either by selling the freehold or granting a lease, the trustees must comply with Section 36 of the Charities Act 1993. In most cases, the trustees must either (1) take advice from a suitably qualified surveyor and achieve the best terms reasonably obtainable or (2) dispose of the property to another charity at less than market value on the basis that such disposal is in fulfilment of the purposes of the charity.

In relation to approach (1), the first step is to identify the governing document of the charity, which may be a constitution of property trust deed. Check that there is no specific requirement that on a sale the best price must be obtained and identify the purposes or objects of that charity. It is encouraging that the public benefit guidance recently issued by the Charity Commission includes the following:

'It is recognised that charities whose aims include advancing religion can have very broad aims and that there might be an overlap with other charitable aims such as the advancement of education or the prevention or relief of poverty. Where charities whose aims include advancing religion carry out other such aims as a genuine expression of that religion there is no need to include these activities as separate aims.'

Charity Commission, *The Advancement of Religion for the Public Benefit*, 2008, Section G3

This guidance reflects specific guidance obtained in a letter (dated 30 May 2008) from the Charity Commission to a member of the Faith in Affordable Housing Project (the text of which is given in [Appendix I](#)). This confirmed that it was the Commission's view 'that many people would understand that part of the doctrine of Christianity is the assistance of poor and needy people and therefore activities towards those ends could be seen as a means of advancing Christianity'.

This approach is further supported in a letter (dated 12 December 2007) from the Office of the Scottish Charity Regulator to Scottish Churches Housing Action making clear that, where the doctrine of a religious denomination establishes as a religious duty that the poor should be helped or those in need relieved, activities of this kind may fall under, **or be analogous to**, the charitable purpose of advancement of religion.

If, having reviewed the governing document of the charity, it appears that the objects may be drafted narrowly, so that approach (1) cannot be taken, it may be worth taking professional advice as there may be powers in the governing document, statutory powers or powers exercisable by the Commission which could be of assistance.

If the church decides to take approach (2) and dispose of the property on terms which are ‘the best that can be reasonably obtained’, trustees are urged not to interpret ‘best’ solely on the grounds of money alone, but also to consider the needs of the community. As Killin (2006) on behalf of SCHA advocates, churches are ‘part of the community, and therefore cannot ignore current community needs. Since it was the community that built the church in the first place, each has a responsibility to the other. Even if those living in the community now are not church members, we in the church cannot behave as if only the bottom line counts. If there is a need and desire for affordable housing that the church can help satisfy, then best consideration includes the option of meeting that need. The burden of maintaining and improving church buildings has rested with individual congregations, often for many years. Local people have supported this work – directly or indirectly – through their own time, money and talents. There have been reciprocal benefits, both material and spiritual, for the church and the community in which it is located. The duty of the trustees to realise best value can be reconciled, in our view, with a social duty to the community which has sustained the church up to now. We believe that the church should consider “full value” within the context of “true stewardship”, especially in communities where there is need for affordable housing, combined with an appropriate opportunity for the church to do something practical about meeting this need.’ (p. 18)

The authors of this guide wish also to suggest that ‘the local community’ is a reality which transcends the identity of individuals. Even recent arrivals, especially those most vulnerable, such as asylum seekers, have a compassionate claim upon the resources of an established community, whether or not they have contributed as individuals in the past.

For more information and guidance, see the document entitled [The Advancement of Religion for the Public Benefit](#) (December 2008) on the [Charity Commission website](#).

‘The failure of the public sector to provide for the poorly housed and those on low incomes presents many land owners with the unique opportunity to contribute to the social good. In particular the Church can be associated with successful permanent housing for local people at genuinely affordable rents. Far from compromising the legal requirement to obtain “best price”, our experience shows that it is possible to achieve a handsome financial return as well as retain the freehold and the goodwill of the Housing Association movement.’

Richard Trahair, BA, FRICS, Diocesan Property Secretary, Church of England,
Salisbury Diocese



SECTION 2: Foundational issues

This section gives an outline of policies related to land ownership amongst different denominations, and discusses how land and other property (such as closed churches, church halls and schools) can be developed, including auditing, redeveloping churchyards, handling listed buildings and technical issues such as restrictive covenants. The denominations that it details are those which account for the vast majority of potential property and land, and which have a track record of ecumenical working.

2.1 Assessing the status of church land and property ownership

It is important to establish who is responsible for the decision to release land or property, as this may not always be obvious. An outline of land ownership and the policies of different Christian denominations is given below.

'It is through generous giving, that we affirm before the world, our nation's faith in the inalienable right of every man, to a life of freedom, justice and security.'

Harry S. Truman, former US President

2.1.1 Baptist Union of Great Britain

Most Baptist Union church property is held by one of a number of Baptist Trust Corporations, which were formed by [Baptist Associations](#). Some are still held by local church trustees and some jointly between the Trust Corporation and the local church trustees.

Most Baptist churches are made up of a least two charities: the congregation/working funds charity, whose governing document is usually a constitution or rule book; and a property trust, whose governing document is a separate property trust deed. Sometimes the property trust deed is varied by the adoption of the Baptist Model Trusts. It is important to understand that, in relation to the disposal of the property, the relevant governing document is the property trust deed, not the constitution or rule book.

The Baptist Union Corporation (BUC) deals with churches that are in trust with the East Midland Baptist Trust Company Limited, the North Western Baptist Association and the

Yorkshire Baptist Association. If the holding trustees are one of the other Baptist Trust Corporations, it should be consulted directly, for further advice.

The BUC offers guidance on most property matters, such as legal issues, charity law, trust provisions, title deeds and listed buildings, and publishes a series of [guidelines](#). The following guidelines, in particular, relate to disposal of church property:

- [Selling church land or premises](#)
- [Selling a manse](#)
- [Letting a manse](#)

2.1.2 Church of England

Land and property disposal in the Anglican Church is complicated by its long history and establishment within the State, its ecclesiastical law having equivalent status to Acts of Parliament. Some land and property in the parish may be owned by the Parochial Church Council in trust with the Diocesan Board of Finance (DBF); glebe land and some clergy housing is either owned by or vested in the DBF; and parsonages are vested in the incumbent and managed by the DBF or a Diocesan Parsonages Board. Closed churches are disposed of by the Church Commissioners on advice from the diocese. A few of exceptional quality are passed into the management of the Churches Conservation Trust. The main categories of land holding and their disposal arrangements are as follows:

- **Glebe.** Much of the land held by the Church of England was donated in past centuries by patrons and wealthy parishioners, to provide an income for the incumbent priest – this is referred to as ‘glebe’. The [Endowments and Glebe Measure 1976](#) (as amended) transferred ownership and management of glebe from individual clergy to the DBF, which is charged with administering it for the benefit of clergy stipends in the diocese concerned. The *Measure* means that the consent of the Church Commissioners is required in certain circumstances, such as disposal to a related person, or for sales below market value and against the advice of the diocesan land agent (see [section 2.3.1](#)). While recognising the duty of benefit to the Diocesan Stipends Fund, terms can be agreed which are reasonable and proper, ‘having regard to all the circumstances’. This provides opportunities for appropriate land disposals for affordable housing.

The Church Commissioners state in the *Parsonages and Glebe Diocesan Manual* (section 5, particularly paragraphs 9 and 16) that their Pastoral Committee may take account of pastoral considerations when considering representations or a diocesan request to approve a sale transaction that is not in accordance with their agent's advice. For example, a contentious open-market sale that is recognised by the Church Commissioners to affect the incumbent's ministry and have adverse pastoral consequences for the local church could lead to consent for an alternative disposal at a lesser price.

- **Parsonage land and property.** Parsonage house and land sales are also subject to the agreement of the Church Commissioners. Diocesan Parsonages Boards or Committees, which form part of the Diocesan Administration, manage parsonages and deal with any sales or leases. The normal requirement on a charity for best price to be obtained is observed. There is often a specific requirement to maximise sale proceeds to pay off a loan or otherwise provide for the replacement or acquisition of other clergy housing.
- **Parish land and property.** Some ecclesiastical parishes own land and buildings, such as a church hall or church car park. The property is vested in the DBF for their benefit. Often such assets are gifts or bequests to the parish concerned. Disposal will depend on the terms of the deed, and consent of the diocese, as custodian trustee, is needed. Transactions of parochial trust property are subject to the direct regulation of the Charity Commission, and not the Church Commissioners.
- **Closed churches.** The Pastoral Measure 1983 as recently amended provides, in the normal way, for two-thirds of the net sale proceeds of a closed church to be used by the DBF for capital purposes in the active life of the Church's ministry. The Measure imposes on the diocese a single duty 'to make every endeavour to find a suitable use' for the closed building. The Church Commissioners can then sell, give or exchange the building and any land annexed to it (or the site, in the event of demolition) for the use that has been specified for it. The acknowledged implication of these provisions is that the suitability of the new use is paramount in determining the disposal. A Diocesan Board of Finance may therefore take the view, in its own interests, that as part of its wider commitment to the local community it can accept a closed church from the Church Commissioners, defer for the long term any question of full value and grant the property on lease or by partnership or joint venture with a housing provider for a low consideration (see [section 2.3.1](#)).

- **Church Commissioners’ investment property.** The Church Commissioners operate an ethical investment policy, but have no scope for disposing of land at less than best value. This was confirmed by the 1991 judgment in what became known as the ‘Bishop of Oxford’ ruling on the Commissioners’ unique historic investment remit, which is principally confined to the financial assistance and housing of clergy. Consequently, the ruling has no implications for any other category of Church of England property listed here.

Diagrams and charts explaining property disposal are available from the Church of England website. The following may be of particular interest:

- [Notices to be served by the Diocesan Board of Finance in the sale, exchange, lease, mortgage etc. of qualifying glebe \(Endowments and Glebe Measure 1976, as revised\)](#)
- [Table summary of legal position in relation to consent to alter sale or exchange property \(Parsonages Measures 1938 and 1947\)](#)
- [Procedures followed by Pastoral Division upon receipt of representation\(s\) against the sale, purchase, building, division or improvement of parsonages or their grounds or sales of glebe](#)

For more information on the Pastoral Measure 1983, see the Church Commissioners’ [Parsonages and Glebe Diocesan Manual](#) and [Code of Recommended Practice](#) on the [Church Commissioners’ website](#).

‘The experience of the faithful on the ground is that the poor are the losers in a widening prosperity gulf. We live in one of the most economically unequal countries in Europe ...’

‘In relation to buildings, local leadership must be empowered to enable the creation of robust local structures, which can decide how to select and resource the best buildings for the purpose of worship and community needs’.

Commission on Urban Life and Faith, *Faithful Cities Summary*, 2006

2.1.3 Methodist Church

Virtually all Methodist property is held on Model Trusts with legal title vested in the custodian trustee, the Trustees for Methodist Church Purposes (TMCP). The responsibilities for the property are exercised by Managing Trustees. For local churches this is the Church Council and for property held by Methodist Circuits, the Circuit Meeting. Other property may be held by District trustees or by the Methodist Council, if the property is Connexional.

‘The governing documents of the Methodist Church are contained in the *Constitutional Practice and Discipline of the Methodist Church* (CPD), volumes 1 and 2. Volume 1 contains the principal Act, the Methodist Church Act 1976, other statutes (the Methodist Church Act 1939 and the Methodist Church Funds Act 1960) and historic texts. Volume 2, published annually, contains the Deed of Union, the Model Trusts, Standing Orders (amended annually by the Conference) and other material, mainly in the form of Guidance’ (Gamble, 2008).

The partnership between the local and national church is at the heart of the way the Methodist Church orders its life. The 1976 Act (section 4) defines what a ‘Methodist purpose’ is and specific reference is made to charities that are ‘ancillary or subsidiary to the Methodist Church’. Model rules were prepared for Methodist housing associations and have been approved by the Charity Commissioners, the Housing Corporation (now the *Homes and Communities Agency*) and the Registrar of Friendly Societies.

At the time of writing, new consent procedures for the sale of property and guidance leaflets were being redrafted by [TMCP](#). Please consult its website for further information.

2.1.4 Religious Society of Friends (Quakers)

The Area Meeting is the primary mechanism for church affairs for Quakers in Britain. Each Area Meeting contains a variety of Local Meetings for Worship of differing sizes, and is a separate charitable entity. Generally, Friends (Quaker) Meeting Houses, land and other properties are owned by the Area Meeting. (A special arrangement applies in London and Middlesex Region, where members of Six Weeks’ Meeting act as trustees for property). Area Meetings carry responsibility for ensuring the right stewardship of local and area resources including property, so they can make their own decisions about use of land and property to provide affordable housing.

Quaker Housing Trust was established as a charity in 1967 in response to Quakers' concern about the need for more adequate, appropriate and affordable housing for rent to meet the needs of badly housed and vulnerable people in Britain. Area Meetings wanting to use their land and property in this way can receive help from [Quaker Housing Trust](#) through advice, loans and grants at all stages, from feasibility studies to completion costs.

2.1.5 Roman Catholic Church

- **Diocesan property.** The Roman Catholic Church is administered on a collegiate basis where the bishops meet and act in Conference, but with the responsibility for the stewardship of diocesan assets resting with the Diocesan Bishop and his Curia in collaboration with the Priest and his congregation. The Church has a universal set of rules, contained in the Code of Canon Law, 1983. Whilst each diocese and every parish within each diocese is bound by this Code, the Code itself makes it clear that the civil law of the land should be followed. Each diocese is a charity registered with the Charity Commission (in England and Wales) or with OSCR (in Scotland) and it is this diocesan charity that is the custodian of church land and property, and within the confines of charitable law makes decisions about its surplus land and property. In certain circumstances, the permission of the Holy See is required before property can be disposed of. To establish procedures of particular dioceses, it is necessary to contact the diocese whose property is involved. Any disposal must comply with the provision of the Diocesan Trust Deed. The [Catholic Directory](#) holds details of the administrations of each diocese. As with other denominations, many dioceses appoint an agent who is responsible for dealing with church land or property disposal, and their influence and advice is often the decisive factor in determining the diocese's attitude to the sale of a particular site for affordable housing. Whilst dioceses recognise the importance of social housing provision in the disposal of surplus land, many dioceses would see the primary responsibility for that provision as being delivered through the planning conditions attached to development consents.
- **Religious institutes (orders and others) of the Catholic Church.** In addition to land held by dioceses, substantial land and property is held by many religious institutes and orders within the Catholic Church. Many of these holdings are subject to charitable law, although a number of such institutes (primarily houses of an exclusively contemplative character) are not charitable in nature. Each order maintains its own

independent decision-making procedures and a significant number are organised in such a way that the provincial leadership either is based overseas or has concern for an area wider than the UK. As with dioceses, there are circumstances where these institutes need the permission of the Holy See to dispose of property. Many of these institutes have, as a crucial part of their sense of mission (and charitable objects) care for the poor and marginalised. Information on religious orders can be found at eden.co.uk.

2.1.6 United Reformed Church

The legislation governing disposal of land and property by the United Reformed Church (URC) is contained in the [United Reformed Church Act 1972 \(amended by the United Reformed Church Act 1981 and 2000\)](#), Schedule 2. The procedures for disposal of church premises, church halls, Sunday schools, ministers' residences and other church workers' residences are similar:

- If the trustees seek to dispose of an interest in land they will require a resolution by the local Church Meeting authorising the disposal. In arriving at a decision, the Church Meeting should consider any recommendations from the Elders' Meeting and comments from any other URC councils that exercise oversight of the local church.
- The resolution is then forwarded to the URC's District Council for its approval, where appropriate. Where disposal is under paragraph 2 of the Act, District approval would only be required by the Synod where the District constitutes an Ecumenical Area. The Synod itself acts as District for paragraph 5 disposals (unless the church lies within an Ecumenical Area, in which case the Area acts).
- The URC's District Council, having given its approval, will also refer the matter to the Synod for its approval.
- Occasionally the trustees may be asked to approve a disposal of church land which does not fall into any of the above categories, in which case the procedure may be different and individual advice should be sought.
- Most Provinces have established Trust Companies which hold most of their land. They are the custodians of church property and are responsible for examining proposals for disposing of an interest in land and approving and carrying out disposal.

For further information, please see the [URC Property Handbook](#) or contact the Trust or Property Officer at your Synod. The contact details of all the Synods are available from the [URC website](#).

2.1.7 Other denominations and Independent Churches

It is understood that the position in relation to churches in membership with the [Congregational Federation](#) bears some similarity to the arrangements in place for churches in membership with the Baptist Union. However, where the Congregational Model Trusts have been adopted, they relate to both the congregation/working funds and the property of the church.

Enquiries about property disposal procedures for other denominations need to be addressed initially to the local church concerned. There is a diversity of approach within the different faith traditions and, where no centralised authority exists, the disposal of property is most often left to the discretion of the local faith community, whose local knowledge informs their approach.

‘But let justice roll down like waters, and righteousness like an ever-flowing stream.’

Amos 5:24 (NRSV)

2.2 Identifying land and property

If churches are to consider whether they have surplus land to dispose of, conducting an audit of land is a sensible starting point. Our research has shown that the majority of church bodies, in particular the Anglican Church, already have a register of land. Where such registers have been made available to the local authority, housing associations and *Rural Housing Enablers*, they have been instrumental in delivering affordable homes.

Your church will probably already have details of redundant buildings or churches and may be aware of property that is under-utilised. If not, you may wish to conduct a local audit

or (if more appropriate to the management of your denomination) approach the central estates team. Audits can be conducted internally, or you may wish to instruct an external property management company. Alternatively, a housing association might be willing to help. The purpose of the audit might be to identify which underused/redundant buildings could be suitable for conversion to dwellings, possibly incorporating a modern worship area. Converting a property into affordable housing does not have to be burdensome. *Registered Providers*, such as housing associations, can access funding to undertake work and may take on the maintenance of the property and management of tenants.

Once the audit has been completed, informal enquiries can be made to the local planning authority for the area in which the land or property is sited (see [section 4.2.1](#) for more information).

2.3 Developing property

Churches. When considering low-cost buildings for affordable housing, closed churches present a particular opportunity. A disused church does not contribute to the community or the Christian ministry. It can fall into disrepair, become difficult to insure and be a financial burden. Converting a church into homes will not only increase the value of the property and provide income (either through sale or rent), but may also enable local people to live in the area, help to improve the vibrancy of the community, and promote the church's mission. In the last 75 years, somewhere in the region of 8,000 Methodist chapels have been closed (www.ourproperty.co.uk, 2008) and at the time of writing there were 12 [Baptist](#) and 17 [Church of England](#) churches/chapels on the open market.

There are a number of reasons for closing a church:

- it is no longer needed on pastoral grounds
- decline in the number of regular worshippers
- poor structural condition or state of repair
- lack of funds to meet essential repairs
- it is no longer fit for purpose and a new building is required

Scottish Churches Housing Action (2008) points out that 'managing these problems is widely talked about as a distraction from the church's key task – to bring together people in the community of Christ and to sustain them in their faith'. Congregations

can spend an enormous amount of time and effort fundraising to maintain their church. ‘Those with property responsibilities are increasingly looking for new solutions [and] those with mission responsibilities need buildings that are better suited to the 21st century.’

Small congregations may face conflicting demands upon their time and money as they struggle to balance the needs of the worshipping community and serving the wider community. In the case of the United Reformed Church in Alnwick ([case study 1](#)), the church committee examined the viability of its church and seized the opportunity to address the issue, while the congregation was large enough to take action. The church in Alnwick now meets the needs not only of its congregation, but also of the community which it serves. Furthermore, the new community space opens up opportunities for greater engagement with people who would not normally attend church.

Decline in the number of regular worshippers is a hard reality faced by many churches. The Office for National Statistics reported that active membership of Trinitarian churches declined by almost a third from 1970 to 1990 (Office for National Statistics, 2002). The [URC Catch the Vision Report](#) (United Reform Church General Assembly, 2006) stated: ‘Membership has more than halved since 1972, but the number of churches has declined by only 10 per cent. At least £19.8m (more than the Mission and Ministry Fund) is spent on utility services and support for buildings.’

The United Reformed Church has confronted this problem head on: ‘we place the church on notice that these choices will have to be made in the next few years. There will be no evading them’ [Unpacking the Vision Statement](#)). In 2006 it set up a Community Interest Company (CIC), [One Church, 100 Uses](#), for the creative transformation of churches. An initial study by the agency in the same year identified 30 church sites for redevelopment in the UK. The agency aims to help local churches put non-viable buildings to community use and encourages congregations to consider ecumenical opportunities to share facilities and worship with other denominations. The project director explained that ‘It is my experience that human beings are profoundly influenced by the places we live, work and play within. We hope that by rejuvenating many of our historic sites, bringing them once again back into life, we will not only be re-interpreting the mission of the church to a new generation, but we will also be “lifting the game”. We will be raising aspirations and surprising people through what we hope will be a new generation of inspiring church buildings. Buildings which, we hope, will once again bring life to the

local community' (Mawson, Southcombe and Findley, 2006). Follow the links for more information on the [CIC](#), its [current projects](#), and a copy of the [One Church, 100 Uses](#).

'He who bestows his goods upon the poor shall have as much again, and ten times more.'

John Bunyan, English Puritan writer and preacher

The disposal of a church building does not have to mean the demise of a church's presence in a community. It may be possible to negotiate a deal with a housing association that involves exchanging the old church and grounds for a new modern one, often with community space that can be rented out for communal activities. A housing association may also agree to cover the legal and architectural costs, if the figures stack up. Furthermore, land can be leased (typically for 125 years) rather than sold, thereby allowing the church to retain ownership. In Plymouth ([case study 4](#)), [Sarsen Housing Association](#) has built several new churches for the Church of England Diocese of Exeter in exchange for its old ones. Sometimes the new church has remained on part of the original church site and sometimes it has been built at a new location within the benefice.

It may not always be necessary to demolish the old church and in some cases it can be adapted for a new use, such as affordable housing, while maintaining many historical features and preserving its character. An example is the development of Ambleside Methodist Church ([case study 6](#)) which externally looks hardly any different from the church that previously stood there. But the church has been completely redeveloped into affordable housing and the congregation has become part of a wider ecumenical development on a different site. In other cases, such as in Lambeth ([case study 2](#)), the congregation has stayed on the same site, but the church has been refurbished to provide a sustainable development, including worship and community space, plus affordable housing. Both of these developments have benefited from increased rental income from the new community space provided and they are no longer burdened with high maintenance costs.

The decision to close a church is never easy, as the United Reformed Church recognises: 'sentiment encourages us to maintain the status quo at all costs. Shutting down things that we no longer need (whether buildings, communities or programmes), or re-

deploying much cherished resources (e.g. selling a little used building to finance a piece of mission ten miles away), is not our forte' ([Unpacking the Vision Statement](#)). The prospect of developing a closed church or surplus land into affordable housing may seem daunting, but there are many examples of old churches making way for affordable homes and new 'community' churches that have provided a real means of investment, financially, socially and spiritually, to both church and community.

Church halls. Occasionally, a church may still be needed by the congregation, but its adjoining hall may not be. This could provide an ideal opportunity for affordable homes. However, if the hall is still being used by the wider community, careful consultation with people in the locality and implementation of a phased development programme may help allay fears of losing the community amenity. It is also worth considering whether it is possible to put any unused space to community use. Case studies 1, 4 and 6 in [section 6](#) give examples of churches that have provided both affordable housing and community facilities from underutilised space. These cases demonstrate success not only from the point of view of fulfilling community needs, but also in terms of building good community relations and in some cases increasing the size of the congregation.

Schools. Furthermore, some faith schools have recently vacated their buildings for state-of-the-art 'education villages', as part of a national school rebuilding programme. Consideration could be given to converting schools that are no longer needed for educational purposes (see [case study 9](#)).

Housing Justice is willing to talk to church personnel about the potential of church land and buildings. Alternatively, an architect or other specialist or organisation can be contacted for advice, such as a housing association, local authority or Rural Housing Enabler.

'our age structure ... means that we are locked into expecting more giving from fewer people. Even if giving increases, we must have the courage to lay aside our "large church" mentality, and adopt a structure which fits our size and resources.'

URC General Assembly, *Catch the Vision, 'Called to Live?'*, 2006, para. 6.15

2.3.1 Pastoral Measure (Church of England only)

The Pastoral Measure 1983 (as amended) allows the use to which a church will be put, to be a more important consideration than the cash return. The [Measure's Code of Recommended Practice](#) states that 'Central to the Christian faith is the unique revelation of God in Jesus Christ and the restoration of humankind's relationship with God through Christ. Any consideration of suitable alternative uses must be placed in this context' (section 11.9, 3rd edition). Its use should be compatible with the history, architecture and environment of the church. Each diocese is responsible for seeking new uses for closed churches in its area. This work is carried out by a Diocesan Closed Churches Uses Committee, which has an opportunity to encourage the Church Commissioners to direct disposal in favour of community and social benefit, such as affordable housing.

If a formal proposal for redundancy of a church is made by a parish, and endorsed by the diocese, the procedures are as follows:

- The Diocesan Pastoral and Mission Committee obtains a report from the Church Buildings Council, seeks the views of interested parties and makes a recommendation to the Bishop.
- The proposal is put to the Church Commissioners and a draft scheme for a Declaration of Closure for Regular Public Worship is published.
- If objections are made and the Church Commissioners accept these, the matter will proceed no further. If no objections are made or the Commissioners overrule them, the closure is confirmed.
- The building will then vest temporarily in the Diocesan Board of Finance. If the original closure included no scheme for the future of the building, the Diocesan committee concerned has the responsibility for finding such a use. When this has been identified and approved by the Church Commissioners, they will prepare a Scheme for alternative use with a similar process for representations as for the closure itself.
- If this Scheme is confirmed, a conveyance or lease can follow, its terms reflecting precisely the authorised use identified in the Scheme.

2.3.2 Restrictive covenants

Restrictive covenants may be imposed by churches on closed church buildings that are sold to:

- ensure the property is only used for authorised purposes
 - protect the property from any unauthorised alterations or demolition
 - reassure local people and secure public access to tend or visit any graves at agreed times
 - protect against disturbance of any human remains, tombstones, monuments or memorials
- (Source: [Guidance from the Church of England for purchasers and lessees](#))

The Church of England is unique in the extent to which it may enforce positive and restrictive covenants by virtue of the Pastoral Measure, which has the force of law. Unlike other such covenants relating to land, they cannot be varied or released on application to the Lands Tribunal, they are enforceable as though the church authorities were the owners of adjacent land benefiting from them, and they will be shown as binding in perpetuity in the Charges Register relating to title on freehold disposal.

For other denominations the normal rules will apply: namely that, unless the church continues to hold adjacent land that can benefit from the restriction imposed, covenants are enforceable only on the first covenantor by privity of contract and by specific registered requirement for subsequent owners to enter into a new deed of covenant.

For further information on Church of England restrictive covenants, see the Church Commissioner's website on [closed churches](#) and its [flowchart for releasing restrictive covenants](#).

Guidance in relation to Methodist burial grounds and restrictive covenants imposed on the sale of Methodist properties may be obtained from the Chief Legal Officer at [Trustees for Methodist Church Purposes](#) (TMCP).

'You have not lived until you have done something for someone who can never repay you.'

John Bunyan, English Puritan writer and preacher

2.3.3 Redeveloping churchyards

There will be cases where the redevelopment of the church for housing will necessitate the use of a surrounding graveyard, and there are comprehensive rules, rights and restrictions in connection with any proposal to disturb human remains or relocate tombstones. This section is intended to give only a very brief overview of developments involving burial grounds. You should consult your own church authorities for further information. Links are provided here to [Baptist, URC](#) and [Church of England](#) guidance. Guidance in relation to Methodist burial grounds may be obtained from the Chief Legal Officer at [Trustees for Methodist Church Purposes](#) (TMCP). For Roman Catholic Diocesan-owned burial grounds, the persons responsible (as outlined in [section 2.1.5](#)), should refer to the Code of Canon Law (1983) to determine the correct procedure. The relevant Canons are 1212 (burial grounds) and 1240–3 (sacred places). For religious institutes (orders and others) of the Catholic Church, advice is normally sought from a reputable Canon lawyer.

- **Open churchyards**

Closed churches are often surrounded by graveyards and changing the use of these can arouse strong emotions amongst those whose ancestors are buried there. If a church surrounded by a graveyard is being released to provide housing, and rights over the graveyard are needed for amenity space, or perhaps for a car park, then the graveyard need not necessarily be rendered closed. It is not usually necessary for the graves to be emptied; the stones may be removed and the area grassed over. It should be borne in mind, however, that the stones are the property of the family of the deceased and proposals to remove the stones must be advertised to enable relatives to arrange for their removal if so desired. The cost must be borne by the church. The church involved should prepare a plan showing the location of all graves in the graveyard; and the registers of interments should be preserved. The local authority should be consulted about their requirements for notification on such matters.

- **Closed churchyard**

A closed churchyard generally means a churchyard or part of one that has been closed for burials by an Order in Council under the Burial Acts (Disused Burial Grounds Act, 1884). The responsibility for maintenance is usually passed to the local authority. In the case of non-conformist churches, their burial grounds rank as private burial grounds and are not subject to Orders in Council. Some Orders include the right of burial for relatives of those already interred, in which case it would be virtually impossible to dispose of that churchyard without reaching an accommodation with the relatives.

A disused churchyard can only become an open space under the [Open Spaces Act, 1906](#) by mutual agreement between the incumbent (in the Anglican church), church trustees (in the case of non-conformist churches), the church governing body and local authority. The proposal should be advertised three times locally, allowing three months for responses.

Church of England only

For a freehold or leasehold interest in all or part of a churchyard to be sold with the closed church building, it is necessary for it to be included in the scheme for alternative use, or separately at a later date. Specific arrangements for continued burials can be made.

- **Open churchyards**

A Faculty (the ecclesiastical equivalent of Listed Building Consent) allowing partial use of an active churchyard for development purposes may be sought, together with any necessary planning permission. The procedure is to consult the Archdeacon and put the proposals to the Diocesan Advisory Committee for the Care of Churches. It then recommends for or against the granting of a Faculty. The Faculty is granted by the Chancellor of the Diocese acting on the advice of the Diocesan Registrar. In some circumstances there is a right of appeal to the Consistory Court against the Chancellor's decision.

A consecrated churchyard remaining in church ownership can be closed for burials by an Order in Council under the Burial Acts. This enables responsibility for churchyard maintenance to pass to the local authority. In addition to the internal procedural arrangements of the particular denomination, where a building is to be erected on a disused burial ground, Directions and/or a Dispensation Order under the Disused Burial Grounds (Amendment) Act 1981 will be required from the Home Office.

- **Closed churchyard**

For churchyards closed for burial but remaining in benefice ownership, the Church of England requires the sanction of a faculty from the [Consistory Court](#), which is called the [Commissary Court](#) in the case of the Diocese of Canterbury, as the effect of consecration is not lifted by closing the churchyard.

‘Dearest lord, teach me to be generous; teach me to serve you as you deserve; to give and not to count the cost.’

Ignatius of Loyola, founder of the Society of Jesus

2.3.4 Listed buildings

Alterations to Listed buildings in the Church of England, Roman Catholic, Baptist, Methodist and United Reformed Churches are exempt from secular Listed Building and Conservation Area controls while they remain in active church use. Internal ecclesiastical control systems (such as Faculty jurisdiction) operate instead, under this ‘ecclesiastical exemption’. However, once a closed listed church has reached the point of disposal, it becomes subject to normal secular controls. Between closure and new use, it can sometimes be subject to both systems simultaneously.

‘In the Church of England, partial or total demolition of a church which has been declared redundant is generally exempt from listed building and conservation area controls, but the Church Commissioners have to inform all interested parties, including English Heritage [the executive non-departmental public body charged with protecting buildings of special architectural or historical interest]. The Secretary of State for the Environment can hold a non-statutory public inquiry if there are objections from amenity bodies. If the inquiry finds the church to be of sufficient architectural or historic importance, the Secretary of State can either recommend to the Church Commissioners that it is passed to the Churches Conservation Trust, or that the church tries to find an alternative use’ ([English Heritage \(n.d.\) Redundant Churches](#)).

Roman Catholic, Methodist, United Reformed Church and Baptist churches should contact their own denominational advisory body that will liaise directly with [English Heritage](#). Other denominations that do not have ecclesiastical exemption from listed building and conservation area consent should contact their local planning authority, which will liaise with English Heritage if necessary.

Direct enquiries to English Heritage should be made via the appropriate [Regional Office](#).

2.4 Assessing disposal options

The next step is to decide which methods of disposal are appropriate to your circumstances. You will need to carry out a basic feasibility study to determine whether the scheme is likely to be financially viable. This includes estimating the expected revenue from your chosen method(s) of disposal and assessing the resources available to you, in terms of expertise and time. You may be able to do this in-house, or you might appoint an external consultant. If you choose to involve a housing association, it should be able to help you work out whether the scheme will stack up financially. If the proposal looks like it will be viable and you are planning to retain a church presence, then you need an architect or surveyor to design the scheme, and obtain detailed costs and potential site values. Again, if you are involving a housing association, it should be able to help you with this and may even meet part or all of the costs. If you need to instruct a surveyor or an architect, the [Royal Institution of Chartered Surveyors](#) (RICS) or the [Royal Institute of British Architects](#) (RIBA) will be able to help you find local surveyor or architect, respectively.

Housing Justice can offer confidential advice or guidance at any stage of your plans, and may be able to refer you to specific expert assistance detailed in its national database.

Property and land can be used for affordable housing in a number of ways, including selling, long-term leasing and retaining full ownership.

- **Selling.** You could sell outright to a housing association or an organisation such as a [Community Land Trust \(CLT\)](#), which will then be responsible for providing the housing (see [sections 3.7](#) and [3.8](#)). Planning permission can be gained after the land is sold, but it is usual for this to be obtained prior to sale, as potential buyers may be unwilling to purchase a site which may or may not be granted permission. However, it is possible to lodge a planning application on property in someone else's ownership if they wish to reduce the risk before committing to purchase.

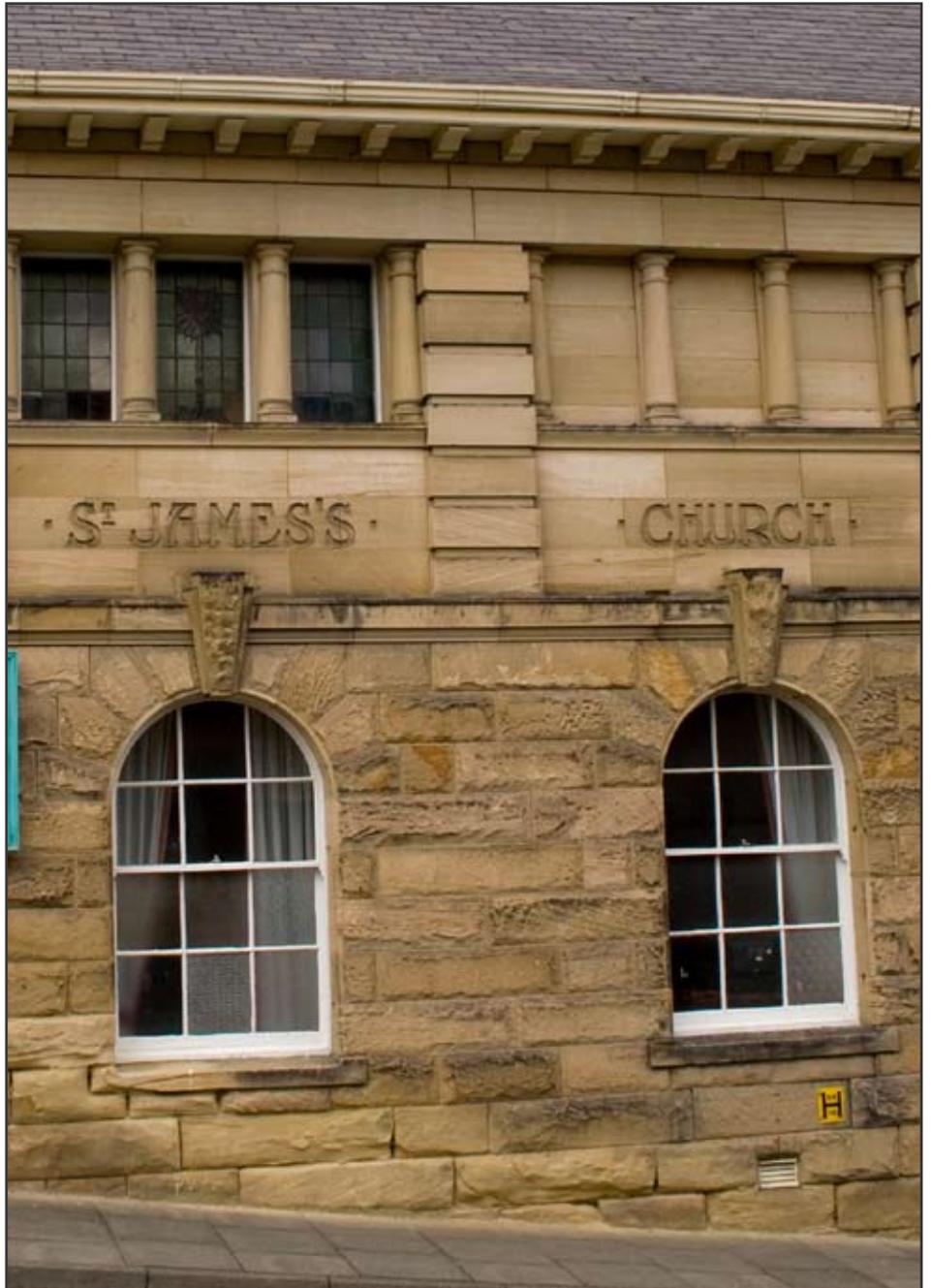
A restrictive covenant (see [section 2.3.2](#)) can be included in the sale agreement to limit the use of the land or building: for example, to stipulate the density and character of the housing. But beware – the arrangement has to be financially attractive to the buyer as well.

- **Leasing.** Many churches wish to retain the freehold of their properties and most prefer to take an initial premium for the lease, rather than a share in the rental income. At the end of the lease, the homes will revert to the ownership of the church, which will benefit from reversionary interest (although this will be limited by the [Section 106](#) agreement; see [section 4.6](#)). In certain circumstances, the potential right of a leaseholder to acquire the freehold (known as ‘enfranchisement’) may first need to be determined with legal advice.

Again, land can be leased to a housing association (which may or may not be faith-based) or a charitable organisation such as a CLT. Typical lease lengths – from the case studies in this guide – are 99–125 years. This enables enough time for shared ownership buyers/renters to secure a mortgage. The housing association or charitable trust will be responsible for managing tenants.

- **Retaining full ownership.** Churches may wish to retain full ownership of the land and develop the housing themselves. However, this is not an easy option. Retaining ownership means that the church will be responsible for securing finance for the scheme, so it will need to form a housing association/trust, which remains in its control and carries out development on its behalf. It will need to register with the Homes and Communities Agency (HCA). The church will also be responsible for managing the properties, although this aspect could be contracted out to a management agency. The formation of such an association/trust does not provide an automatic right to determine the allocation criteria of the properties; a legal agreement would still need to be negotiated with the local planning authority.

There are some very successful examples of church-based housing associations which you may consider working with, if they operate in your geographical area. Examples are [Southwark and London Diocesan Housing Association](#) (see [case study 5](#)), and Mitre Housing Association (Carlisle Church of England Diocese), which works in partnership with a secular organisation, [Eden Housing Association](#), that manages the day-to-day running of the homes (see [case study 9](#)). See [section 3.7](#) for more information on working with a housing association. Given limited public funding, alternative solutions such as CLTs may be more attractive (see [section 3.8](#)).



SECTION 3: Bricks and mortar

This section details organisations and people that could assist with a project, from determining whether there is a need for affordable housing to developing properties and managing them once built.

There are a number of organisations that could assist with your project. The creation of partnerships opens doors to necessary resources, such as the independent negotiating skills of a Rural Housing Enabler, or the development expertise of a housing association staff member.

The combined knowledge and resources of partners can enable more to be achieved by sharing knowledge, fostering communication, resolving conflict and reflecting on lessons previously learned. Successful partnership working was a major factor in all of the case studies detailed in [section 6](#). For example, the Anglican Diocese of Exeter developed a formal partnership document with the vision of producing usable, affordable and deliverable solutions for suitable former church sites to meet the needs of stakeholders. This partnership has helped to generate 165 affordable homes in the past five years.

Churches should be careful in their choice of partners to ensure that they obtain good value and quality. In particular, there is a real opportunity to influence the provision of high design standards. Setting a scheme in a wider community context could bring added benefits, such as catering for special needs housing (see [case study 4](#)) or including facilities for community use (see [case studies 2, 4 and 6](#)), employment programmes and creative enterprise (see [case study 8](#)).

It is important to keep all interested parties informed throughout the process. In mainly rural areas this means the early involvement of the parish council and the Rural Housing Enabler, if there is one. Some potential partners are discussed below.

‘Let him who exhorts others to give, give himself.’

Latin proverb

3.1 Denominational advisory bodies

It is important to determine at the very start of your project who is responsible for land/property disposal in your own denomination and to ensure that whoever makes the final decision about disposal is kept informed throughout. If there is no Trust Deed or other agreement, you will need to determine who has a controlling interest in the building or land.

3.2 Local champion

The involvement of a ‘local champion’, or several, who can work with both the church’s finance personnel and the local congregation and community can help to build and maintain the project. It is not essential that this one person has all the knowledge required, but good project management skills and the time to find out whom to consult, to attend meetings and to involve all the relevant parties are necessary.

The background of the ‘champion’ has varied in the cases discussed in this guide. In Salisbury ([case study 8](#)) it was the Diocesan Property Secretary, while in Worcestershire it was a local resident ([case study 7](#)) and at Alnwick, Northumberland, it was a member of the congregation ([case study 1](#)). In each case, an individual had the enthusiasm, energy and commitment to drive the project forward.

3.3 Congregation and local community

Local support is crucial to the success of any project and it is therefore important to involve the congregation, the wider community and people whose housing needs are likely to be met by the development.

Conversions of churches, in particular, may arouse strong feelings. Projects sometimes fail when a lack of information leads to rumours and mistrust – community conflicts need to be handled sensitively. Furthermore, it is a good idea to obtain the support of prominent groups, such as other local churches, community groups and district councillors. It is important that prospective tenants are given the opportunity to have their say, and, as the main beneficiaries of the development, they should be encouraged to become involved.

It may be useful to hold a public meeting or a drop-in session – the latter can often be a less confrontational method of handling differing views. If you decide to hold a public meeting, it is important to ensure that everyone has a chance to speak and be heard. If you receive opposition that is based solely on ‘nimbyism’, you should be prepared to challenge it. Developments that have been opposed at the outset have won people round when up and running, as people’s fears have not been realised. A powerful way of addressing concerns is for residents to visit a nearby similar and completed scheme. Housing Justice can provide information on other church schemes.

‘One of the aims of *Moving on in Mission in Ministry** ... is to encourage the laity to assume a greater responsibility for “social involvement”.’

Ann Jeffries, *The Commission on Urban Life and Faith in Plymouth Report*, 2005

*Diocese of Exeter, *Moving on in Mission and Ministry, The Final Report of the Working Party Exploring Future Patterns of Ministry*, 2003.

3.4 Parish/town council

Parish/town councils exist across rural areas of England, and in some urban locations. They also operate in a number of large places now (e.g. Dover and Weston-super-Mare), not just in small places. Parish/town councils should be given the opportunity to offer their views throughout the process. Before you approach your local planning and housing department (in the relevant district/borough/National Park/unitary authority), it is a good idea to seek the parish/town council’s support for the development. They should be involved if a Housing Needs Survey is required (see [section 4.1](#)) and it might be particularly useful to involve them early on if the site you plan to develop is not listed in the planning authority’s *Local Development Documents*. Parish/town councils may also wish to have an input into the design of properties and the criteria of any Section 106 agreement. Some have, for example, sponsored the production of *Design Statements*, as well as Housing Needs Surveys. For more information on Design Statements, see [Natural England’s website](#).

3.5 Local planning and housing authority

Local authorities were once the main provider of social housing. They now play a strategic role: assessing and planning current and future housing needs; making the best use of existing stock; and facilitating new supply. They are also responsible for giving (or refusing) planning permission and holding a register of households in housing need. (Note that in National Parks it is the Park Authorities, such as Exmoor National Park Authority, that award planning permission.) Central government now expects local authorities to work with partners to meet the needs of the local community.

It is advisable to make contact with your local authority housing and planning departments (in the relevant district/borough/National Park/unitary authority) from the start. They should be able to help you assess local need and provide advice on planning. However, you should be aware that local authorities are entitled to reclaim 'reasonable' expenses for any pre-planning consultation, and, although it is unusual for authorities to impose a fee on sites that provide 100% affordable housing, they are within their rights to do so – so check first!

3.6 Rural Housing Enabler

Rural Housing Enablers are independent personnel, with no direct development interest, who work with landowners, communities, local authorities and housing associations to help deliver affordable housing in villages and small towns. They are specialists who:

- 'help parish councils to understand the processes and options for achieving affordable housing;
- identify housing needs which cannot currently be met by the market;
- develop and maintain positive relationships with housing and planning authorities in pursuit of the provision of affordable housing;
- identify potential sites and liaise closely with landowners and planning authorities over constraints and opportunities;
- liaise closely with local housing associations and Housing Partnerships to facilitate a smooth handover from pre-development to development processes;
- operate independently to achieve consensus among partnership stakeholders, and contribute to relevant strategies at national, regional and local level to deliver affordable rural housing; and
- identify potential means of funding' ([Defra, 2006, p. 78](#)).

RHEs cover most of rural England, although unfortunately not all. You can see if there is an RHE working in your area and contact them via one of the 38 [Rural Community Councils](#) or the local authority housing department. For the contact details of your local Rural Community Council, visit the [Action with Communities in Rural England \(ACRE\) website](#). ACRE is the national umbrella organisation for Rural Community Councils.

3.7 Housing association

Any social housing development needs substantial financial backing if its properties are going to be affordable for low-income groups. This will usually be provided via a Registered Provider, which can apply for a [Social Housing Grant](#) from the HCA, although it will probably also top this funding up with money from other charitable sources or private organisations. Registered Providers are independent, not-for-profit organisations that provide low-cost housing for people in housing need. They are registered with and regulated by the HCA and [Tenant Services Authority \(TSA\)](#), and are usually governed by voluntary boards. The most common Registered Providers are housing associations, but there are also trusts, co-operatives and companies.

Housing associations can help in a number of ways, such as:

- assessing whether there is a need for new affordable housing in your community
- helping you determine whether a scheme is viable
- providing advice on suitable tenures
- providing guidance on funding
- liaising with local authority planners regarding planning permission and occupancy terms
- setting up legal agreements
- undertaking the building of developments
- providing a management and maintenance service on completed properties

If you wish to sell or lease your land/property, you will want to ensure that you have chosen a suitable partner. The HCA provides a searchable [list of Registered Providers](#). However, it is advisable to contact your local authority or Rural Housing Enabler (if applicable), as they will probably have a list of preferred housing associations of which they have direct experience. Some local authorities, such as Oxfordshire, have a '[Housing Partnership](#)' whereby the HCA,

the Government Office for the South East, Oxfordshire Rural Community Council and four housing associations work in partnership to develop affordable housing.

Most housing associations provide for people defined by the local authority as ‘in housing need’, although eligibility criteria can vary, and some associations specialise in developing rural or urban schemes or supplying homes for particular client groups: for example, young single people, older people who require extra care, and people with mental health issues or drug problems. You might want to consider approaching a ‘specialist’ housing association, if there is a need for such provision in your community. Other housing associations have their roots in the church, such as Southwark and London Diocesan Housing Association, which is featured in [case study 5](#).

Following guidance from your local authority, you may wish to meet with potential housing associations (along with the parish/town council, if applicable) in order to assess their suitability and make an informed choice.

For example, you might wish to consider:

- Does the housing association develop properties in your geographical area?
- Does it have existing housing stock in your area?
- Has it been approved by the local authority?
- Is it able to fund the project?
- Does it have the necessary experience and expertise for your proposed scheme?
- Has it got an acceptable approach to and good track record of partnership working?
- Does it have the capacity to develop the properties to a high standard and within the agreed timeframe?
- Does it have the ability to manage properties when they are built?
- Is it well thought of by those with relevant knowledge (planners, RHEs, etc.)?

3.8 Community Land Trust

This section is based on information from [Community Finance Solutions](#) (CFS), and in particular its [Practitioners’ Guide](#) (Dayson, Bendle and Paterson, 2007) and from [Cobbetts](#) (a UK law firm that acts for many Community Land Trusts (CLTs) in England). It is intended

to give only a brief introduction to CLTs. For more in-depth information, it is suggested that you visit [CFS's website](#), which provides tools, case studies and research.

CLTs provide a mechanism for delivering affordable housing through community ownership and are a means by which communities can influence and control what happens locally, now and in the future. CLTs are based on the assumption that land and its use can be separated, enabling the repayment for the land to operate on a different basis from that of the property. Eliminating the cost of land from a development (i.e. separating it from its productive use) means that the impact of land appreciation in value is removed, enabling long-term affordability. For example, a CLT could purchase land, through a HCA grant or other means, and build new houses on it. The CLT might then sell the houses to people in the community and charge them a ground rent for the land. The CLT keeps the freehold of the land, so any future resale value is kept low, as it will only be based on the value of the house, not the land. The ground rent charged to the property owner will be a proportionally smaller sum than a mortgage, because reclaiming investment in land can take place over a longer time frame (typically 99 years). This differs from a conventional freehold mortgage where the homeowner would pay for both the land and property across a 25-year period.

A CLT is a not-for-profit organisation that holds land and property for the benefit of present and future generations in a defined locality or community. As such, it contributes towards social sustainability.

- It is a mechanism for the democratic ownership of land and property by and for the local community.
- Its membership is drawn from people in the local area, therefore promoting community involvement and action.
- Its purpose is often related to the supply of affordable housing, but it could also be used for other reasons, such as provision of workspace, community enterprises and cultural, recreational, environmental, farming or conservation objectives.

A statutory definition of CLTs has been included in the UK Housing and Regeneration Act (2008), which states that a Trust must:

- be established for the express purpose of furthering the social, economic and environmental interests of a local community by acquiring and managing land and other assets in order to: (1) provide a benefit to the local community and (2) ensure that the

assets are not sold or developed except in a manner which the Trust's members think benefits the local community

- ensure that: (1) any profits from its activities will be used to benefit the local community, (2) individuals who live or work in the specified area have the opportunity to become members of the Trust, and (3) the members control it.

This legislation provides reassurance to landowners, including churches, that CLTs need to make certain that their composition meets the criteria in the Act; that they operate within the statutory framework; and that no one will privately benefit from a disposal below market value. CLTs are now able to register with the HCA and bid for social housing grants, without forming a partnership with a housing association. There has also been Third Sector support for CLTs from the [Esmée Fairbairn Foundation](#), [Tudor Trust](#) and [Venturesome](#). These charities have created a £2 million fund to support the development of about 30 new CLTs over the next four years. This level of support may also help to attract private investment.

For further information on government policy towards CLTs, see [CFS's CLT policy exhibits](#).

CLTs may focus on housing to supplement that of housing associations: for example, for poorer people; those who do not qualify for entry on to the local housing waiting list; or who would not get housing priority (e.g. people without children). They might also provide housing of a type and size not generated by the market (e.g. for older people who wish to downsize), or where [HomeBuy](#) or shared ownership is not available (CFS, *Practitioners' Guide*).

For those who would like to find out more or get in touch with CLTs, there is also a [Community Land Trust Discussion Forum](#).

3.9 Specialists

You will need to use the services of several professionals, such as architects, solicitors and surveyors. You should check with your denominational advisory body whether there are any restrictions on whom you can use, although you will probably already have approved contacts. If you or your denominational advisory body do not have existing contacts in your area, the [Royal Institute of British Architects](#), the [Law Society](#) and the [Royal Institution of](#)

[Chartered Surveyors](#) all have searchable online registers of members. You should check with your chosen Registered Provider (e.g. housing association) before you contact an architect, as most employ their own. And remember, you may have a willing professional living in the vicinity.

If there are local groups that have an interest in your plans (for example, if you are intending to build affordable sheltered accommodation for older people), and interested charities or housing associations that specialise in such care, they may be willing to support your plans (see [section 3.7](#)).

For Church of England only

The Parsonages Measure 1938 (as amended) requires that land and property valuation is done by a ‘qualified surveyor’, defined as a fellow or professional associate of the Royal Institution of Chartered Surveyors or of the Incorporated Society of Valuers and Auctioneers (or a similar institution). They must also be reasonably believed, in the opinion of the incumbent or bishop, to have ability in, and experience of, valuing the type of land in question in the particular area. The same broad rules apply to diocesan and glebe land under the Endowments and Glebe Measure (1976).

3.10 Housing Justice – a guiding hand

It may seem somewhat overwhelming to know where to begin. To help churches respond to this initiative effectively, Housing Justice intends to:

- follow up publication of this guide by entering into a dialogue with churches at regional and diocesan level, to motivate and assist their action on affordable housing
- make the Charity Commission and the Office for the Scottish Charity Regulator aware of this guidance and establish links with these organisations to assist churches in obtaining guidance and support from their regulator
- develop links with a number of housing associations region by region, which can be encouraged to offer an enabling service to bring forward specific housing opportunities and establish a continuing relationship with the churches concerned
- encourage churches to renew or strengthen existing links with local housing providers

- set up a general register of housing associations that have responded positively to this initiative, so that a direct connection may be offered with churches actively in search of a suitable housing provider
- compile a growing list of good practice examples of affordable housing provision from across England.

‘Surplus wealth is a sacred trust which its possessor is bound to administer in his lifetime for the good of the community.’

Andrew Carnegie, US industrialist and philanthropist



SECTION 4: Letting in the light

This section considers whether the proposed development is viable. It discusses assessing need; planning considerations (including making informal enquiries to local planners, site suitability, obtaining planning permission and planning regulations); valuing sites; financing schemes; and establishing tenure and occupancy. **Appendix 2** provides a checklist for action for the use of church assets for affordable homes and provides signposting to relevant sections in the guide.

4.1 Assessing need

Once you have identified a site or building, it is necessary to find out if there is a need for affordable housing in the community. To gain planning permission and attract finance, a proposal must be supported by research that demonstrates sufficient demand.

You should contact the strategic housing team in your local authority to see if any information is already available. All local authorities (district/borough/National Park/unitary) have local and regional housing strategies (which are designed to assess the number of affordable properties required to meet existing and new need, set against projected supply). These strategies should include an assessment of affordable housing need and may be available on your local authority's website. You should also check with your parish or town council – these exist across rural areas of England, and in some urban locations (see **section 3.4**) – to find out if a Housing Needs Survey (HNS) (which provides information about present and future housing need and wage levels of local people) has been conducted, or whether housing information has been gathered as part of a community-undertaken Parish Plan or Town 'Health Check'.

If there is local information available, such as an HNS, or the local authority housing strategies strongly demonstrate need, then this may suffice, although you will need to check with your local authority that the information is both adequate and up-to-date. As a guide, a full HNS will be valid for around five years, although you should confirm this with your own local authority.

If there is no adequate local information available, an HNS will probably need to be done. In some areas (normally villages and market towns), an HNS will be mandatory to progress the project. HNSs should be done in partnership with the local community and authority. The parish/town council, where applicable, should be involved in conducting the survey and

the housing team of the district/borough/National Park/unitary local authority should be kept informed. If you are in a rural area, the local Rural Housing Enabler may also be able to help, and should have a standard template for the survey (see [section 3.6](#)) – it is important that the survey asks the right questions. If you have already involved a housing association, it may also be able to assist.

If the planned development is in a small community, the entire population will probably need to be surveyed. In larger places, the area or sample size to be surveyed will need to be agreed with the local authority. If only a sample is assessed, it is important to ensure that the whole community is aware of the potential development, to avoid the spread of damaging rumours and so that everyone has the opportunity to give their views and put their names forward for housing. This could be done through posters and flyers or an article in a local newsletter. Some local authorities ask for a ‘statement of community involvement’ to be included with the planning application, so this kind of early consultation should be clearly documented.

If appropriate, before embarking on an HNS, an indication of need, and therefore whether the project is viable, can be obtained through preliminary research, such as a ‘housing health check’. Again, the parish/town council should be involved. The template ‘health check’ form and guidance information in [Appendix 3](#) was adapted from one produced by [Cumbria Rural Housing Trust](#) (CRHT) and may help to gather useful information, most of which (e.g. Land Registry data) is available online and should not take more than a couple of hours to obtain.

If an HNS indicates a need, the local authority may require that people interested in occupying any affordable housing complete a registration form that identifies the nature of their local connection, the amount of rent/mortgage they might afford and the size/type of property required. The property size will be based on actual need, rather than desire. It should be noted that even a full HNS only represents a ‘snapshot’ of current needs, which may change before the development is completed.

‘A good name is to be chosen rather than great riches, the favour is better than silver or gold.’

Proverbs 22:1 (NRSV)

4.2 Planning considerations

4.2.1 *Informal enquiries to local planners*

If you are considering disposing of a particular site, an informal enquiry can be made to the local planning authority for the area in which the land or building is sited. This will help to determine whether it is suitable for development, or if a change of use to affordable housing is likely to be permitted.

You could also make an informal enquiry to the planning authority to determine the suitability of sites identified in an audit of land and/or buildings. The resulting register of land and property, with the potential to achieve planning consent, could then be made available to local housing associations or partnerships or, in rural areas, to Rural Housing Enablers. [Salisbury](#), [Worcester](#) and [Exeter](#) Church of England dioceses have all promoted their registers to local authorities, housing associations and Rural Housing Enablers, which has led to the development of 157 flats/apartments, 15 houses and 6 bungalows in the last decade. See section 4.2.2 below for information on obtaining planning permission and [section 4.2.3](#) for more information on planning policies.

You should be aware that local authorities are entitled to reclaim ‘reasonable’ expenses for pre-application planning consultations. However, this is more likely in areas of high-density development where the number of applications is high (see [section 3.5](#)).

4.2.2 *Obtaining planning permission*

By this point you should have chosen a housing association, CLT or other Registered Provider to work with, unless you are planning to develop the housing on your own. Whether you plan to lease, sell or maintain the site, you will need to consider whether the site is suitable and if planning permission is likely to be given.

If you have already made an initial enquiry to your local planning authority (for example, if you have provided it with a list of potential sites/buildings), you may already have a good connection with staff and an indication of whether planning permission is likely to be granted (see section 4.2.1 above). However, it is useful at this point to look in more detail at some of the factors that may affect the development of the project. This will not only help to assess your ability to proceed, but also help to manage community

expectations and ensure that what you would like to attain in terms of money and type of accommodation is achievable.

You should consider whether there are any site constraints that might prevent planning permission being granted or make the cost of development prohibitive. For example:

- Is ownership of the land/property clear?
- Is access readily available?
- Are there any public footpaths crossing the site?
- Are there any covenants on the property/land or do you intend to apply any?
- Does the proposed development complement local planning policies? (These can be found on the local authority's website under 'planning').
- Would the development suit the topography of the area (e.g. would it be compatible with nearby land uses)?
- Is the site/building within a Conservation Area or listed? If so, will compatible materials (e.g. slate or Cotswold stone) need to be used, which may be more expensive?
- If there are any buildings on site, are they listed or is listing planned? Can such structures with listed building status be converted or demolished?
- If you are planning to convert a church, will the main structure of the building meet current building regulation standards without too much additional cost?
- Is there any local contamination/pollution of the land that will need to be cleaned up?
- Is the area at risk from flooding?

If you feel the site is subject to any of these constraints, you should give some thought to how these might be overcome and discuss the issues with your housing association and local authority strategic housing team (who will have links with planning and building control officers) before a planning application is submitted.

Unless you are developing the site yourself, the proposed housing scheme will normally be designed by an architect employed by the housing association. The housing association will also submit the planning application, sometimes in partnership with the parish/town council (if applicable). The application will then be determined by the local authority's development control team.

4.2.3 The planning system

The planning system is viewed as a major delivery mechanism of affordable housing and is centred around the Planning and Compulsory Purchase Act 2004. This legislation introduced Local Development Frameworks (LDFs). LDFs are spatial strategies that comprise several documents, known as Local Development Documents (LDDs). LDDs will normally define what is meant by ‘affordable’ in the authority area. The responsibility for maintaining LDFs and LDDs sits with district councils or National Park authorities. LDFs outline proposed new housing developments within the authority area over the next 10–15 years after consideration of the level and nature of local housing demand. LDFs must have regard to *Regional Spatial Strategies* (RSSs), which are strategic-level plans produced by the Regional Assemblies, or the mayor in the case of London. [PPS12: Local Spatial Planning](#) sets out policy in relation to LDFs.

The majority of affordable housing is met through stipulation in the LDDs that open-market developments over a certain size (or threshold) must provide a specified proportion (or *quota*) of affordable housing. The national indicative minimum site size threshold is 15 dwellings. However, local planning authorities can set lower minimum thresholds: for example, at the time of writing, the London Borough of Lewisham had a threshold of 10.

The district council or mayor has the power to set the threshold and quota levels. They are also able to designate particular sites as ‘affordable housing only’ sites. Very occasionally, planning permission can be granted on sustainable sites outside the LDD, but they may need to be referred to the Secretary of State for Communities and Local Government for approval.

National planning policies are available from the [Department of Communities and Local Government website](#). [PPS3](#) is the most relevant in respect of housing. LDFs can be obtained from Regional Assemblies and LDDs from your district council’s planning team.

- **Windfall sites.** The LDD may stipulate the terms of developing ‘windfall sites’. These are sites that were considered unsuitable or unavailable at the time the LDD was written, but which later become available due to a change in circumstances – for example, when a church closes. The church (and housing provider) will normally have accepted a Section 106 agreement, and where this involves a mix of market and affordable housing there may be scope for exceeding the affordable proportion stipulated.

- **Rural Exception Sites.** LDDs also provide details of exceptional planning policy in rural areas with populations of fewer than 3,000 people. Rural exception policies enable planning permission to be granted to develop land within or adjoining existing villages for affordable housing for local people, provided that a need exists and it can be demonstrated that the development will meet that need (see PPS3, below). The advantage of exception policies is that they allow the development of land that would not normally gain planning permission. While the value of a Rural Exception Site will be less than that of a site granted permission for open-market housing, its value is likely to be higher than if it were sold for agricultural use.

‘In providing for affordable housing in rural communities, where opportunities for delivering affordable housing tend to be more limited, the aim should be to deliver high quality housing that contributes to the creation and maintenance of sustainable rural communities in market towns and villages. This requires planning at local and regional level adopting a positive and pro-active approach which is informed by evidence, with clear targets for the delivery of rural affordable housing. **Where viable and practical, Local Planning Authorities should consider allocating and releasing sites solely for affordable housing, including using a Rural Exception Site Policy.** This enables small sites to be used, specifically for affordable housing in small rural communities that would not normally be used for housing because, for example, they are subject to policies of restraint.’

PPS3, para. 30 (emphasis added)

- **Allocated sites.** As well as Rural Exception Sites, it is possible for local planning authorities to allocate sites – in development plans (i.e. in the Local Development Documents of the LDF) – purely for affordable housing. Landowners, developers and their agents can suggest that their land should be considered.

Influencing Local Development Frameworks. It has long been possible for landowners, developers and their agents to suggest that their land should be considered as part of the allocation of sites in statutory development documents. But, as landowners, churches could also influence LDFs before they begin, during preparation, in the participation period and when Planning Inspectors test the ‘soundness’ of the submitted documents. Although this process takes some years, a brief explanation is given below so that churches understand how they may influence these planning documents.

For both RSSs and LDFs there is an opportunity, before draft documents are published, for comment and participation from the public and other interested parties, such as the church. (This participation period is referred to as ‘front loading’ or ‘visioning’.) Typically, there will be open meetings and workshops at which individuals, groups and representatives of the private and public sectors can have their say in an effort to influence the topics or issues to be included in the LDF process.

It is at this early stage that Local Planning Officers and Elected Members/councillors often consider, in informal discussion, the policy approaches to affordable housing, related to market conditions, need and the means of delivery. These include the allocation of sites solely for affordable housing and the Exception Site Policy (for affordable housing outside the allocated area for development). This ‘visioning’ stage leads to consideration by Elected Members of what is known as the ‘Core Strategy’.

‘Options’ for allocating sites in the LDF are considered next, although recently the government has required that the separate LDDs of the ‘Core Strategy’ and ‘Options’ be taken together for purposes of public participation. This is because the Core Strategy should now indicate the allocations of ‘strategic sites for development’. An LDD for other ‘Allocations’, notably sites for housing, can then follow, after a further period of public engagement. There may also be other LDDs, such as Area Action Plans, concentrating for example on particularly needy locations, which may give a more local focus to the siting and delivery of affordable housing.

Therefore churches, as landowners, can engage in the participation stages and make representations when draft documents are to be considered by the Local Authority Committee (the ‘cabinet’ of Elected Members who are portfolio holders). There is also a further opportunity to influence decisions and make objections when an LDD is published for consultation – before being made ready for the appointed Planning Inspector(s) to hold a public inquiry into the ‘soundness’ of the document. This tests whether the document is consistent with national policy, justified and effective. There is then another opportunity for engagement, at the inquiry itself.

Community Infrastructure Levy (CIL). The Planning Reform Bill, which at the time of writing had just received royal assent, includes the provision of a new charge called the Community Infrastructure Levy (CIL), which local authorities will be empowered (but not required) to charge on developments. The Act makes provision to exempt charities – such as housing associations – from payment on land they are developing for charitable use. It is

proposed that local authorities will be able to set the level of charge, based on a formula, to pay for local infrastructure development (e.g. hospitals, schools and transport projects). It is not intended that the levy will be used to fund affordable housing, but it has been included in the definition of 'infrastructure' in case there is a reduction in the delivery of affordable housing when the levy is introduced. It is proposed that the levy will complement the existing Section 106 obligations, which will be retained for the delivery of affordable housing. Although this guide focuses on stand-alone affordable housing developments which are generally facilitated by Section 106 Agreements (and will continue to be so), readers should be aware of the potential changes to planning legislation likely to be introduced by some local authorities around the end of 2009. More information can be found at the [Department of Communities and Local Government \(DCLG\)](#) or the [Ethical Property Foundation \(EPF\)](#) websites. The EPF has produced a community guide to planning obligations – [The No Pain Guide to Gain](#) (Ethical Property Foundation, 2008).

4.3 Valuing land and property

There may be constraints, mentioned in [section 4.2.2](#), which will have an impact on the value of the land/property. You will need to appoint an independent valuer to act for the church and negotiate with the housing association's valuer. The valuation will take into account any constraints and future planning consent.

The regulations affecting the determination of a valuation differ from one denomination to another and you may need to obtain further guidance from your own denominational body (see [section 3.1](#)).

4.4 Financing schemes

Affordable housing is usually funded through a public subsidy from the HCA to a housing association (or other Registered Provider) as described in [section 3.7](#). However, there are an increasing number of schemes being funded independently and some churches may choose to go it alone, possibly cross-subsidising affordable homes with the profit made from open-market housing, borrowing from banks, working in partnership with private developers or applying for charitable grants or funding from the local authority. 'Going it alone' is not a recommended course of action – it requires specialist skills and can take an inordinate

amount of time. It should not be forgotten that it is through the impetus and hard work of several churches in the past that we have successful faith-based housing associations today. See [section 3.7](#) and [section 3.8](#) for information on potential providers.

If you are considering a scheme that also involves the renovation of a church or the building of a new one, depending on the terms of the sale/lease, then additional funding (e.g. grants and local fundraising) may, but will not always, be required (see case studies [1](#), [4](#) and [6](#)).

4.5 Determining tenure

A Housing Needs Survey will normally give some indication of the tenure requirements based on what local people want and can afford. The main types of tenure are shared ownership (HomeBuy) and rent.

Shared ownership (HomeBuy). With shared ownership (or [New Build HomeBuy](#)) the shared owner buys a percentage (usually between 25% and 75%) of the leasehold and pays rent to the landlord (normally a housing association) on the remainder. The shared owner can increase the share that they own (or ‘staircase’) up to 100%. If the shared owner wants to sell the property, they must sell their share to a person on the local authority’s housing needs register. The occupant will benefit from any equity that has built up on the share they own.

If a shared owner purchases a 100% stake in the property, it will be lost as an affordable home (although the sale of shares releases money for reinvestment by the housing association). However, the housing association may stipulate a clause in the lease agreement, giving it the opportunity to buy the property back on sale. This right to repurchase the property lasts for 21 years from the point of the final staircasing sale.

In rural areas that have a population of less than 3,000, occupants are not allowed to ‘staircase’ to more than 80% of the market value, in order to ensure that properties remain affordable in perpetuity. The Housing and Regeneration Act 2008 allows the Department for Communities and Local Government to designate areas as ‘protected’, preventing shared owners from buying homes outright. This will automatically apply to places currently designated as ‘rural’ for the purposes of Right to Acquire (see below).

There are also two other parts to the HomeBuy scheme: [Open Market HomeBuy](#), where purchasers buy a property using a conventional mortgage, but with the assistance of an HCA equity loan; and [Social HomeBuy](#) (Right to Acquire), where housing association and local authority tenants are helped to buy their current home either outright or on a shared ownership basis at a discount. However, as with staircasing, tenants in rural areas that have a population of fewer than 3,000 are exempted from this Right to Acquire. No Right to Buy or Right to Acquire can arise on land leased to a registered provider, regardless of population. Under the Housing Act 1996 (sections 16 and 17) these rights only pertain where the freehold is held by a social or public sector landlord.

Rent. Social rented housing is let at a subsidised rent and on an assured or secure tenancy basis to people on the housing needs register, who are defined as being ‘in housing need’. It is normally managed by a housing association or the local authority. Tenants have a Right to Acquire (Social HomeBuy), except in rural areas that have a population of fewer than 3,000.

‘Happy are those who consider the poor; the Lord delivers them in the day of trouble.’

Psalms 41:19 (NRSV)

4.6 Agreeing occupancy

Allocation criteria will be determined by the local authority in a Section 106 agreement, if it is applicable. Section 106 agreements are planning obligations imposed on developers as a condition of obtaining planning permission and can include the provision of affordable housing on open-market developments over a certain size. They can also accompany planning permission as a means of controlling the occupancy of affordable homes. For ‘voluntary’ schemes wholly comprising affordable homes (such as Exception Sites), the church can retain limited nomination rights in the Section 106 agreement, although this is unusual. However, Exception Sites in rural areas will usually have different terms, with ‘local connection’ as the primary allocation criterion. Although Section 106 agreements are fairly standard on affordable housing developments, you should seek professional advice before entering into one.

An example of a typical definition of 'local connection' contained in a Section 106 agreement is shown below:

'The Local Connection Requirement means a prospective occupier of an Affordable Housing Unit shall be either:

- (i) a person who has continually resided in the Relevant Parish for a period of not less than five years within the last eight years or
- (ii) a person who has a strong local connection with the Relevant Parish by virtue of a close family member namely a parent or child who is currently resident in the Relevant Parish and has at least ten years continuous residence or
- (iii) a person who has worked full time for two years in the Relevant Parish, or the equivalent in part-time (including voluntary) work and there is a continuing commitment to work in the Relevant Parish
- (iv) If there is no prospective occupier falling within classes (i) to (iii) then any person deemed by the Council to be in housing need in the Relevant Parish'

Source: Sovereign Housing Group Ltd



SECTION 5: Friends nearby (useful contacts)

Affordable housing and homelessness organisations

Action with Communities in Rural England (ACRE)		
National umbrella of the Rural Community Action Network (the collective name for the 38 English Rural Community Councils and their eight regional bodies), which operates at national, regional and local levels in support of rural communities.	Somerford Court Somerford Road Cirencester Gloucestershire GL7 1TW	01285 653477 www.acre.org.uk acre@acre.org.uk
Community Finance Solutions		
Independent research and advisory unit within the University of Salford engaged in promoting and developing integrated solutions for financial and social inclusion, and community asset ownership (e.g. community land trusts).	Room 214 Crescent House The Crescent University of Salford Salford Greater Manchester M5 4WT	0161 295 4454 www.communityfinance.salford.ac.uk www.communitylandtrust.org.uk j.e.powell@salford.ac.uk
Empty Homes Agency		
Independent campaigning charity which exists to highlight the empty properties in England and works to devise and promote solutions to bring them back into use.	Downstream Building 1 London Bridge London SE1 9BG	0207 022 1870 www.emptyhomes.com info@emptyhomes.co.uk
Green Pastures		
Not-for-profit Christian organisation that houses homeless people. It works in partnership with local churches and faith groups to establish pastoral care teams to assist its tenants.	9 Mornington Road Southport Merseyside PR9 0TS	01704 501690 www.greenpastureshousing.co.uk Email via website

continued

Homes and Communities Agency (replaced the Housing Corporation)		
National housing and regeneration agency for England responsible for delivering new affordable housing. (It brought together English Partnerships, the investment programme of the Housing Corporation, the Academy for Sustainable Communities and key housing and regeneration programmes, which were delivered by Communities and Local Government).	Arpley House 110 Birchwood Boulevard Birchwood Warrington WA3 7QH	0845 230 7000 www.homesandcommunities.co.uk mail@homesandcommunities.co.uk
Housing Justice		
Christian charity that works to provide decent affordable housing for everyone, through change in housing policies at national and local levels, and by enabling local groups and churches to provide practical help to people in housing need.	209 Old Marylebone Road London NW1 5QT	0207 723 7273 www.housingjustice.org.uk info@housingjustice.org.uk
Rural Housing Trust		
Charitable organisation that raises awareness of affordable housing and encourages policy and decision makers to consider rural housing problems.	8 Graphite Square Vauxhall Walk London SE11 5EE	0207 793 8114 www.ruralhousing.org.uk info@ruralhousing.org.uk
Scottish Churches Housing Action		
Charitable organisation that connects the values of churches in Scotland with action to help homeless people. It develops projects that help homeless people, mobilises volunteers and campaigns to change government policy.	28 Albany Street Edinburgh EH1 3QH	0131 477 4500 www.churches-housing.org Email via website

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Shelter		
Charitable organisation that conducts research and campaigns and lobbies government on housing and homelessness issues. It also provides services to people in housing need.	88 Old Street London EC1V 9HU	0844 515 2000 www.shelter.org.uk info@shelter.org.uk
Tenant Services Authority		
A non-departmental public body that reports to the Department for Communities and Local Government, and which took over the Housing Corporation's regulatory function on 1 December 2008. Its functions include setting performance standards and enforcement powers to take action to improve services for tenants.	Enquiries Team 1 Park Lane Leeds LS3 1EP	0845 230 7000 www.tenantservicesauthority.org enquiries@tsa.gsx.gov.uk

Denominational property advisory bodies

Baptist Union Corporation	
Baptist House PO Box 44 129 Broadway Didcot OX11 8RT	01235 517700 www.baptist.org.uk buc.corp@baptist.org.uk
Church of England	
Church House Great Smith Street London SW1P 3AZ	0207 898 1000 www.cofe.anglican.org Email via website
Methodist Connexional Team	
Central Buildings Oldham Street Manchester M1 1JQ	0207 486 5502 www.methodist.org.uk helpdesk@methodistchurch.org.uk
Quaker Housing Trust	
Friends House 173–177 Euston Road London NW1 2BJ	0207 663 1000 www.qht.org.uk involve@qht.org.uk
United Reformed Church Finance Office	
86 Tavistock Place London WC1H 9RT	0207 916 2020 www.urc.org.uk finance@urc.org.uk

Other organisations

Chartered Institute of Housing		
International charity for people involved in housing and communities in both the public and private sectors. It conducts research, provides policy advice and offers professional development to its members.	Octavia House Westwood Way Coventry CV4 8JP	0247 685 1700 www.cih.org customer.services@cih.org
English Heritage		
Non-departmental public body of the Department for Culture, Media and Sport. It is responsible for managing, protecting and promoting England's historic environment.	Customer Services Department PO Box 569 Swindon SN2 2YP	0870 333 1181 www.english-heritage.org.uk customers@english-heritage.org.uk
Law Society		
Represents solicitors in England and Wales, including negotiating with and lobbying regulators and government, and providing training and advice. It has a searchable database of solicitors.	The Law Society's Hall 113 Chancery Lane London WC2A 1PL	0207 242 1222 www.lawsociety.org.uk Email via website
National Housing Federation		
UK body which represents and supports independent, not-for-profit housing associations in England and campaigns for better housing.	Lion Court 25 Procter Street London WC1V 6NY	0207 067 1010 www.housing.org.uk Email via website

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Royal Institute of British Architects		
UK body advancing architecture to society and promoting the architectural profession. It has a searchable database of architects.	RIBA Client Services 66 Portland Place London W1B 1AD	0207 307 3700 www.architecture.com Email via website
Royal Institution of Chartered Surveyors		
International independent body that regulates property professionals and surveyors, and provides advice to government and policy-makers. It has a searchable database of surveyors.	RICS Contact Centre Surveyor Court Westwood Way Coventry CV4 8JE	0870 333 1600 www.rics.org Email via website
Royal Town Planning Institute		
Charitable body promoting good planning and providing education and training to members and advice to policy-makers. In most UK regions it also runs Planning Aid, which gives free independent advice to communities and individuals who cannot afford to pay consultants' fees.	41 Botolph Lane London EC3R 8DL	0207 929 9494 www.rtpi.org.uk Email via website



SECTION 6: Good neighbours

This section is based on the results of a survey that was sent to all of the Roman Catholic and Church of England dioceses, the United Reformed Church synods, the central offices of the Salvation Army, the Baptist Union, the Methodist Church, the Society of Friends and a small sample of evangelical organisations in March 2008.

The results showed that most Church of England dioceses and a few Roman Catholic ones, United Reformed Church synods and evangelical organisations hold an inventory or *terrier* of land, or are in the process of creating one. However, only a handful of Church of England dioceses were actively promoting the development of affordable housing or using their inventory to do so. Respondents claimed that the main disincentive to promoting affordable housing was the need to acquire ‘best value’ – as discussed and countered in [section 1.6](#).

The case studies that follow are based on responses to the survey, or were brought to the project’s attention as a result of the survey. As far as possible, the project has aimed to provide a mix of case studies across urban and rural communities, regions, converted buildings and land development, and denominations.

CASE STUDY I: St James's Church Centre, Alnwick, Northumberland

Denomination: United Reformed Church

Type: Conversion

Completion date: May 2008

When the decision was taken to redevelop St James's church and hall in Alnwick, the congregation sought not only to have a church suited to the twenty-first century, but also to offer facilities that would be an asset to the whole town. Although the congregation have no doubts that the project has been worthwhile, the path taken was not a straight one!

It was a decade ago when the congregation of St James's first considered the redevelopment of their listed church, but due to the estimated cost of £1 million the project stagnated. However, by 2005 mounting maintenance costs spurred the Minister and Church Secretary to take action, and with the support of the congregation negotiations began with a local housing association to exchange their adjacent hall for improvements to the church. The housing association valued the church hall at £174,000 and the proposal was put to the Northern Synod, which approved the redevelopment subject to certain conditions, which included negotiating a higher price for the hall and consulting the Charity Commission.

The housing association increased its offer to £200,000, but as it was prior to the Charity Commission's restatement of its interpretation of section 36(3) of the Charities Act (1993) in May 2008, the Commission was not satisfied that the trustees had complied with the rules for disposal and insisted that the hall was offered for sale on the open market. Unsurprisingly, the enthusiasm and willingness of the congregation to raise the essential additional funds was dented. Keen to see the hall used for affordable housing, they even considered setting up their own charitable company to redevelop the site. However, they felt it was beyond their capabilities, and so reluctantly offered the hall on the open market.

It was at this point that the project turned a corner. A local developer offered to purchase the hall for £300,000 and, in partnership with the housing association, use it to offset its quota share requirement of nine affordable homes on a nearby open-market development. (PPS3 enables off-site provision – see the box below). The Charity Commission and district planners agreed the plan. Although there were some further difficulties in the tenure negotiations between the district council and the housing association, a resolution was reached and the developer agreed to pay the congregation's legal fees, amounting to £30,000.

Plate 1: St James's church prior to development



PPS3 National Planning Policy 29

'In seeking developer contributions, the presumption is that affordable housing will be provided on the application site so that it contributes towards creating a mix of housing. However, where it can be robustly justified, off-site provision or a financial contribution in lieu of on-site provision (of broadly equivalent value) may be accepted as long as the agreed approach contributes to the creation of mixed communities in the local authority area' (2006).

The proceeds from the sale of the hall amounted to 50 per cent of the total redevelopment cost; the congregation applied to grant-giving bodies and fundraised to obtain the balance. The new centre opened in May 2008, hosting not only a twenty-first century church, but also facilities that meet the needs of diverse groups within the town, and provide a source of rental income. The worship area is adaptable, includes audio-visual display facilities and provides excellent conference and concert amenities. There is also a large hall with a wooden floor, suitable for dancing and children's activities, a fully equipped kitchen and a separate conference/meeting room. The town has also benefited from nine much-needed affordable homes.

*Plate 2: St James's church hall
prior to development*



*Plate 3: St James's church hall, now
converted into nine affordable homes*



The church building has been split into two. The **Sanctuary** is now located on the upper floor. Though the primary purpose is for worship, weddings and funerals, it is also available for concerts, drama, workshops, conferences and similar events. The Sanctuary seats up to 150 people and is flexible in its layout. It contains an electronic organ, a movable digital piano, and audio-visual facilities.



Plate 4: The Sanctuary

The **main hall**, downstairs, is a large space that can be used for meetings. It is licensed for up to 150 people but has comfortable seating for 100. It also accommodates informal and recreational events, including activities for children and young people. Furthermore, the wooden floor makes it suitable for dancing.

The new fully equipped **kitchen** offers catering facilities and hatch access to the hall.

Plate 5: The main hall



Plate 6: The kitchen



The **Embleton Room** is ideal for small meetings, holding up to 30 people. Access and facilities for disabled people are provided throughout the building, and include a lift to the upper floor. All rooms have a loop system for the hard-of-hearing.



Plate 7: The Embleton Room

CASE STUDY 2: *Springfield Methodist Church, Wandsworth, South London*

Denomination: Methodist

Type: Conversion

Completion date: October 2008

‘This project is a fine example of an increasingly common trend, as churches with bigger buildings than they need and can afford to maintain, look for development partners to use the value of their land and provide more appropriate community facilities’ (Nicholas Cursley, [L&Q](#)).



Plate 8: Impression of the finished development

Springfield Methodist Church was built in 1902, at a time of expansion of the Wesleyan Methodist Church in urban centres, and provided a 800-seat church and ancillary premises in a strategic location on Wandsworth Road, South London (about a mile from Westminster).

Initiated by a previous minister, when the congregation dropped to 40, the project represented a struggle to maintain the church's vision in the face of opposition and support at different times from the London Borough of Lambeth and from higher levels of the Methodist Church. Originally, the Methodist Church regionally wanted to sell the very valuable site to gain the proceeds for its mission elsewhere. However, the borough council opposed the demolition of one of its few grade II listed buildings. The conflicting views made it possible for a new vision to emerge from the congregation and successive ministers.

With a £1.5 million grant from the borough council and further funding from the Housing Corporation (now the HCA), the historic building has been rebuilt to provide a modern church with a capacity of 150 (on a 99-year lease), 3 community rooms, 28 shared ownership and social rented homes (21 two-bedroom and 7 one-bedroom flats) and outdoor recreational space.



Plate 9: The new church with community space and affordable homes

In 2003, the site was sold on and developed by a housing association recommended by the borough council – L&Q Group – the founders of which had strong church links. L&Q began demolition in July 2006. During the development, the congregation worshipped at another Methodist church about half a mile away, although they never lost their identity, and on their return in October 2008, the congregation had grown to 90.

The scheme retained the original Edwardian façade, which dates from 1902, although the pavement entrance was levelled to provide wheelchair access. The church occupies the ground floor, and its large window adjacent to the pavement on Wandsworth Road means worship is always visible to passers-by, and already draws in new visitors every Sunday.



Plate 10: The original Edwardian façade was maintained

Plate 11: Entrance hall to the new worship area



The current minister and congregation are delighted with their new church, although they have highlighted a few design issues that, in retrospect, they would have handled differently: preferring the well-equipped kitchen to be placed on the first floor, not the ground floor, where they feel that the scents of cooking can sometimes detract from worship. They would also have preferred the coffee bar and crèche to be on the ground floor, where passers-by could drop in and parents using the crèche could still overhear the worship.

Overall, however, the project has been very successful. It has provided long-term stability to the church and its mission, and made its life of worship and service more visible to its community.



Plate 12: The new worship area



Plate 13: The affordable flats

CASE STUDY 3: Diocese of Oxford

Denomination: Church of England

Type: New build

Completion dates: Circa 1993–2009

Background

The Diocese of Oxford covers three counties, Berkshire, Buckinghamshire and Oxfordshire, and includes over 600 parishes. As one of the largest Church of England dioceses in the country, it has over 400 stipendiary clergy. The Oxford Diocesan Board of Finance (DBF) has about 280 glebe agricultural holdings, of which about half are less than 10 acres in extent. The DBF has held an extensive register of land since 1976 and adopts a comprehensive approach to assessing the planning potential of its holdings. This has enabled it to identify potential Rural Exception Sites and, in the last 15 years or so, to respond to requests for land to develop affordable housing from the parishes of Brightwalton, Chaddleworth, Kingham and Shrivenham.

Overall, the developments in these four parishes have resulted in 51 homes. The latest development in Shrivenham brought in revenue of £70,000 for a small piece of land which the diocese would not otherwise have been allowed to develop. All of the plots (except one) have been rented on leases of 125 to 250 years, allowing the diocese to retain ownership of the land.

Shrivenham

Shrivenham is a large, thriving village in Oxfordshire, close to the border with Wiltshire, and has a population of about 5,500. Most homes in the parish (71%) have 3 or 4 bedrooms and 86% are owner occupied. Due to concerns that housing in the parish was no longer affordable to many local people, in July 2004 the parish council in partnership with the local Rural Housing Enabler (RHE) conducted a Housing Needs Survey. This showed that 27 households were in housing need; the vast majority were aged 16 to 44. The survey recommended that 14 affordable homes be built.

The parish council acted on the recommendation of the RHE and identified three potential sites in the village, one being glebe land owned by Oxford Diocesan Board of Finance.

Following further assessment of the sites, discussions with landowners and community consultation, the parish council decided to proceed with the glebe site. Working in partnership with Oxford Rural Housing Partnership, development plans were drafted with Sovereign Housing Association.

Unfortunately, the project was not well received by the whole community and some local residents organised a petition that was signed by about 300 people. The local planning authority also received 33 letters of objection, although nearly three-quarters of residents who responded to the Housing Needs Survey supported the development of an affordable housing scheme for local people in need. Despite objections, with the backing of the majority of residents and the local planning authority, building work began in 2008 for 8 one-bedroom flats, 4 two-bedroom flats and 2 three-bedroom houses. Half will be rented and half shared ownership.

The Regional Development Officer from Sovereign Housing explained that many of the objections were based on rumours and lack of understanding of allocations. Some residents were not aware that as the homes were being built on a Rural Exception Site and were subject to a Section 106 agreement, they would be primarily allocated to people who had strong local connections.



*Plate 14: Butts Furlong,
Brightwalton (1998)*

‘Sarah Day, a parish councillor, said: “The ever increasing house prices in the village mean that owning our own home is way beyond our means. We rent a two-bedroom house privately, but after our next rent increase, that too will be beyond us. Our families have lived in Shrivenham for generations and it’s decent hard working people like us who will benefit from this development” ’ (*Oxford Mail*, 10 July 2007).

The diocese leased the site to Sovereign for £70,000 on a 125-year lease. The land would not have been granted planning permission now, or in the foreseeable future, for open-market development, due to planning restrictions. The properties are due for completion in February 2009.

Brightwalton and Chaddleworth

The parish of Brightwalton (which has a population of around 350) and its larger neighbour Chaddleworth (population around 550) are served by the same vicar. The Church plays a prominent role in both communities: it owns the buildings that house the primary schools in both places and part-funds the school in Brightwalton. The high house prices in the area make it very difficult for first-time buyers to stay in the village where they grew up.



*Plate 15: Dunmore Meadow,
Brightwalton (2008)*

Around 15 years ago the diocese sold some glebe land in Chaddleworth which was developed to provide 10 affordable homes. At the time of writing, it was considering the development of more affordable homes on glebe land behind the rectory.

In 1998 the Rural Housing Trust (RHT) purchased around an acre of glebe land in Brightwalton, outside the *village envelope*, for £15,000 on a 250-year lease and developed six affordable homes. Following the success of the first scheme, the Church released further land for another eight rented properties – for local people – 10 years later. All of the developments were Exception Sites.



Plate 16: Glebefield, Chaddleworth

Kingham

Kingham is a parish in West Oxfordshire with a population of around 1,000. In 2005 it was voted 'England's Favourite Village' by *Country Life* magazine. Following a Housing Needs Survey, the parish council and Rural Housing Trust studied the village settlement policy with local planners and identified glebe land as the most suitable site for the development of much needed affordable housing. The Church was approached and agreed to sell the land on a 250-year lease; six affordable homes were built in 1999. Since then a further seven affordable homes have been constructed in a second phase (completed in 2002), consisting of four rented and three shared-ownership properties. The houses conform to the local 'Cotswold style' and are built in Cotswold or reconstructed stone.



Plate 17: 'Cotswold style' affordable homes in Kingham

CASE STUDY 4: Exeter Diocese (Plymouth)

Denomination: Church of England

Type: New build

Completion dates: 2005 – continuing

Background

‘The average Plymouth income is £23K yet the average house price is £168K – a house price ratio almost 8 times average income – a ratio that is set to increase to 12:1 by 2020. Not only is this an issue for those currently on, or seeking to join, the housing ladder, but it also presents a challenge for the future: Plymouth is a new growth point and will see an increase to its population by 50,000 or over by 2026’ ([Linda Gilroy, MP for Plymouth Sutton](#), 2008).

Following a review of diocesan assets, initiated by the previous Bishop of Plymouth, the Rt Revd John Garton, a partnership was formed and a **charter** drawn up to address the problem of large church buildings together with high community need for affordable housing. (See the end of this case study for a copy of the charter.) As a member of the partnership, Sarsen Housing Association in collaboration with the diocese reviewed around 10 underused, closed or derelict churches across Plymouth, which the diocese considered worth redeveloping into affordable housing, usually with new ‘fit-for-purpose’ places of worship and community facilities. Plymouth is a mixed area in terms of wealth and has both prime development areas and locations of low land value: most of the churches developed have been in the latter areas.

The diocese has negotiated deals with Sarsen that involve exchanging old churches on a 125-year lease for newer, smaller ones, often with space that can be rented out for community activities. The new worship area is adaptable to fit the size of congregation (one large room can be partitioned into two smaller spaces). Sarsen Housing Association pays all of the diocese’s legal and design fees. Brief details of the schemes are given below.

St Paul’s, Torr ridge Way, Efford (completed in 2007)

Efford is a postwar ‘garden suburb’ about 3 miles from the centre of Plymouth. At the heart of Efford is Torr ridge Way, a run-down shopping centre that has suffered from shop closures and dilapidated housing. Efford Ward is one of the 20 per cent most deprived wards in

England and Wales. It is ranked as the seventh most deprived neighbourhood amongst the 43 neighbourhoods in Plymouth, and is the third most deprived in terms of housing. The area has a high level of long-term unemployment, higher than average long-term sickness and more health problems than average. Additionally, it has had problems with youth offending and anti-social behaviour.

In 2002 the DELL Community Forum (representing Deer Park, Efford, Laira and Lipson) applied to the South West Regional Development Agency fund to create 'sustainable neighbourhood centres' in areas of 'economic and social deprivation'. Torrridge Way was one of these areas. This included a proposal to demolish the old church and hall site and develop a new community building complete with a dedicated smaller space for the church to use. The old church site, which opened in 1962 and had an average congregation of 38, provided an ideal location for a new 40-flat *Extra Care* scheme for older people, and it was decided that the new 'community' church would be built on the site of the local library. In turn a new library was developed as part of the Extra Care building and was Plymouth's first purpose-built library to be developed in 15 years.



Plate 18: The new St Paul's Church

Funding for the Extra Care housing was secured by the housing association, Sarsen. The extra care scheme (called St Paul's Court) contains 40 apartments for affordable rent and is contributing significantly to helping older people in Plymouth to live more independently. Residents have their own apartment as well as 24-hour care and support. There are also communal facilities, including lounge, dining area, hobbies room, laundry, guest bedroom and gardens, as well as the opportunity to join in social activities.

The project was protracted, but ultimately a huge success. Because of a restrictive covenant on the old church site, Plymouth City Council bought it from the diocese, removed the covenant that it controlled and then sold the site on to Sarsen. The church played a key role in sustaining the community through the redevelopment of Torrridge Way. The Revd Steve Payne, vicar of St Paul's, has been very much part of the lengthy redevelopment journey. He chaired the [Heart of Efford Community Partnership](#) (the steering group for the Torrridge Way redevelopment) from its inception in 2004 until recently. Mr Payne stressed that 'The Church should be about relating to local people. It's important to have a church which is



Plate 19: The new worship area

appropriate to the area. A church that once was suitable might not be now – communities change.’ He also noted the benefits of a multi-purpose church with community space: ‘If people are going through the door, even if they are not participating in formal worship, they are still engaging with the church and hopefully taking away with them some of the Christian ethos. We try to be welcoming to community groups – for example, residents’ groups, political parties and council meetings.’



Plate 20: Opening lounge

Queenie Ellis, 82, from Plymouth moved into St Paul’s Court in 2007. Previously, she had lived in a flat, but became ill with vertigo and was prone to falls. Getting out and about became a struggle. She said: ‘Before I moved to St Paul’s Court I felt like a prisoner in my own home because I couldn’t get up and down the stairs. It’s wonderful here; the staff are so friendly and the place is beautifully decorated. I’m very happy and more confident because I know that help is here, if I need it.’ The Rt Revd John Ford, Suffragan Bishop of Plymouth, said: ‘When partnerships work, things can really happen and lives can be changed. St Paul’s Court has given people dignity and independence, and comfortable homes where they know they are cared for; and it has also helped build the community’ (www.24dash.com, 2008).

Plate 21: The new community hall at St Paul's



Plate 22: Rt Revd John Ford and Queenie Ellis



St Barnabas (completed in 2005)

St Barnabas Extra Care home opened on the old St Barnabas church site in 2005. The money that the diocese received for the scheme has funded the conversion of the church hall, which was opposite the old church, into a new worship area. It has also leased part of the hall to the primary care trust for a doctor's surgery.

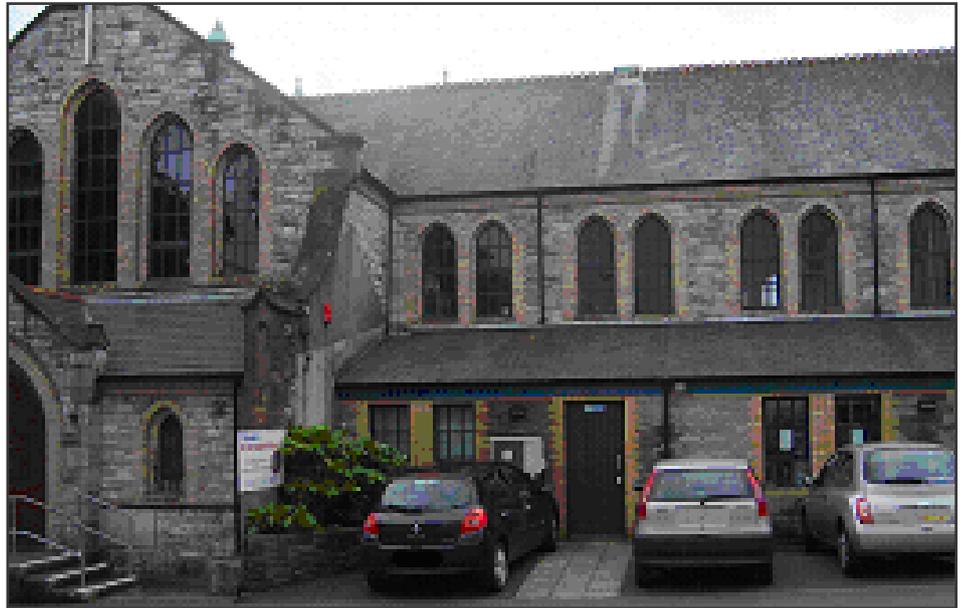


Plate 23: St Barnabas church – once the old church hall

The Extra Care scheme comprises 32 Extra Care one- and two-bedroom apartments for frail elderly people. It spans four and five storeys and has on-site care staff, a non-resident management team and a community alarm service. The venture enables residents to retain their independence in their own home, whilst receiving the care services they need. The diocese has taken an imaginative and flexible approach to managing its properties and in so doing has contributed to meeting the growing needs of its ageing community.

Plate 24: St Barnabas Court
Extra Care home



Vicarage in Devonport (completed in 2007)

The upstairs of a converted terraced property in Devonport used to house the local clergyman and his family. The ground floor was used by a charity for an after-school club and café promoting healthy eating. When the vicarage was no longer needed, Sarsen bought it, converted and renovated the upstairs and let it as two affordable flats. It agreed to let the charity stay for five years rent-free.

St Michael's, Albert Road, Devonport (under construction)

Much of the housing in Devonport is postwar local authority property, a lot of which has fallen into disrepair. The original St Michael's Church was extensively bombed in the war and rebuilt using sea sand. This unsatisfactory form of mortar resulted in it becoming damp and something of a financial millstone for the diocese. Through the partnership, the diocese leased the land it stood on, together with the neighbouring vicarage, to Sarsen in return for

a new church (on the same site) and the funds to acquire a new vicarage elsewhere. Sarsen has demolished both the old church and vicarage to make way for 42 rented properties (40 two-bedroom and 2 one-bedroom).

St Chad's, Whitleigh (under construction)

St Chad's Church was built in 1956 and is situated at Whitleigh Green, on the northern outskirts of Plymouth. It has multi-coloured bricks with stone dressings to the windows and doorways, and a central tower. Sarsen Housing Association rented the land from the diocese to provide 5 houses for rent, and 33 two-bedroom flats (10 shared ownership and 23 for rent). The church tower is visible from a considerable distance. Due to its position at the end of an avenue, planners have insisted that the new flats also incorporate a similar tower feature.



Plate 25: St Chad's, Whitleigh, Plymouth

St Mary's, Cattedown (under construction)

St Mary's Church was closed in the mid-1980s and until a few years ago was used as a hall and commercial space. After that, the building became a financial liability for the diocese. Vandalism and theft of building materials were an issue, as the church became derelict and the building was difficult to insure. However, because of the excellent relationship that the diocese had with Sarsen through their partnership agreement, Sarsen offered to pay the £33,000 needed to demolish the building, and sought to develop the land for affordable housing. In return, the diocese agreed that if the project was not viable for planning or financial reasons, it would reimburse Sarsen the demolition costs. The site is now cleared, and Sarsen is hoping to take forward a project to build 11 affordable properties (3 houses and 8 flats) and a new community/worship space.

PARTNERING CHARTER

Vision

The Team will produce, useable, affordable and deliverable solutions for suitable former Church sites to meet the needs of stakeholders

Values

- The process will be mutually beneficial
- Trust and openness
- Accountability without blame
- Shared responsibility with roles defined by the Team
- Appropriate risk allocation
- Recognition of the value that each team member brings
- Everyone signs up to the Charter

Objectives

- To develop a number of former Church sites for social housing purposes
- Homes to be decent and sustainable
- Solution to be affordable
- Solution to be deliverable in terms of timescale, cost and quality
- Learn and improve with each scheme
- Schemes to enhance the reputation of the team members
- Inclusive communication

Deliverables

- Consult with all stakeholders
- Secure appropriate level of funding
- Ensure equitable contracts to enable delivery of fair and reasonable profits to all parties
- Improve on KPIs [Key Performance Indicators] each scheme
- Nil defects on all schemes
- Achieve key milestones within the development programme
- Realise vision with budget
- Egan compliance
- No notifiable accidents/incidents on site
- Appropriate distribution of 'savings' obtained through value engineering

Airey and Cole

Church of England

Gates Partnership

Kier Western

Signed_____

Signed_____

Signed_____

Signed_____

Plymouth City Council

Sarsen Housing Association

Steen Mitchell

Signed_____

Signed_____

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CASE STUDY 5: Southwark Diocese (Felbridge)

Denomination: Church of England

Type: New build

Completion date: March 2007

The development of affordable homes in Felbridge, Surrey, was a win-win situation. When the congregation of the local church needed money to renovate their hall, the diocese wanted to update its parsonage, and the local authority was looking for land to provide affordable housing, a collaboration between all parties provided an ideal solution.

Despite the project's complexities due to intricate conveyance requirements, the commitment of all parties to make it happen won through. Four years after the project started, seven affordable homes provide rented accommodation for local residents (some of whom are key workers); the local authority has made a significant contribution to its rural affordable housing targets; the Parochial Church Council has some useful funds towards its building project; the vicar resides in a new, purpose-built parsonage; and the diocesan glebe committee has benefited financially, obtaining funds for stipends.

Felbridge is the most recent of a series of developments on church land as a result of a longstanding and successful relationship between [Diocese of Southwark](#) and [Southwark and London Diocesan Housing Association](#) (SLDHA). For details of the other developments, see the [Diocese of Southwark website](#).

SLDHA has a policy of arranging 99-year leases on affordable homes developed on church land. This keeps the properties affordable in perpetuity, is sufficient to obtain finance and keeps the land within church ownership.

Southwark and London Diocesan Housing Association (SLDHA)

SLDHA is a Church of England charity, which builds and runs affordable housing. It is registered with, and part funded by, the HCA. At present it manages about 205 properties, ranging from one bedsit to some 4-bedroom houses; most are less than 15 years old. SLDHA is supported by the Anglican dioceses of Southwark and [London](#).



Plate 26: New vicarage at Felbridge



Plate 27: Affordable homes at Felbridge

CASE STUDY 6: Ambleside Methodist Church

Denomination: Methodist and Church of England

Type: Conversion and new build

Completion date: August 2006

Ambleside is within South Lakes district, a popular tourist destination with 3,500 holiday homes – the same as the number of people on its housing register. In 2003 the local Methodist minister, the Revd Richard Hall, initiated a scheme to provide affordable housing utilising the Methodist church building. This not only met a housing need, but also provided capital to join with the nearby Anglican church to build a new ecumenical and community centre on Anglican-owned land. The Methodist congregation were enthusiastic and although they could have sold their old church to a private developer, they felt strongly that it should be used for the community, preferably for affordable housing. They proposed to use the



Plate 28: Fifteen affordable homes on the site that was once the church

money from the sale of their church to help fund the new centre, together with a successful lottery bid, already secured by the Anglican church, a grant from the Anglican congregation and local fundraising for the remainder.

Undoubtedly, Ambleside was – and still is – in desperate need of social housing. At the time of the proposed development there were 100 households on the waiting list and young people were not returning after leaving for further education, as the cost of housing was prohibitive. A Housing Needs Survey conducted the year before the project began showed a total of 106 households in need of affordable homes. In addition, there were 193 households living in the surrounding area who were registered with the council for rented properties. House prices at the time were the highest in the district and 87% of emerging households were unable to afford even the minimum housing costs. Since the year 2000, house prices have increased by 139% and wages by only 22%, making house prices around 11 times the average income.



Plate 29: Commemorative plaque on the old church site

Mr and Mrs Winters worked in tourism and had live-in positions in separate hotels. Unfortunately, under the terms of their employment they were not allowed to share accommodation in the same hotel, and could not afford to rent or buy locally. Their separation had an obvious impact on the quality of their life, particularly as they were trying to balance meeting up with shift work.

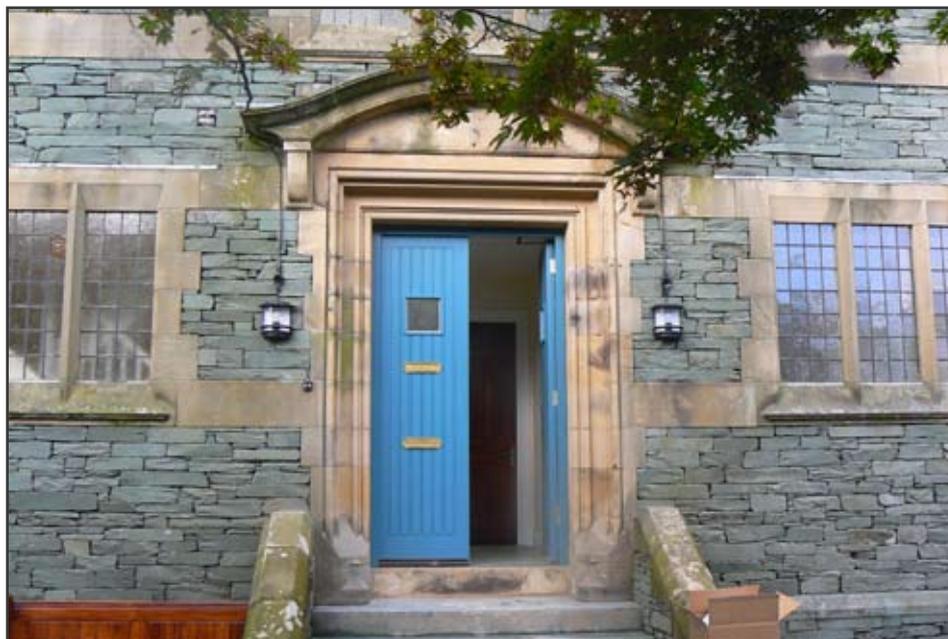
They were overwhelmed with the offer of an affordable home in the converted church site and at last were able to live together! Mr Winters applauded the scheme, stating, 'whoever had the wisdom and forethought to convert the old church into apartments as affordable accommodation is to be highly commended.'

The old Methodist church and hall are now 15 affordable homes (4 one-bedroom and 11 two-bedroom) over three floors. The buildings have been sympathetically converted and extended with many of the original external features retained, including stained-glass windows. There was little formal objection to the development when local people realised that the church would not be demolished. Occupancy has been restricted through a Section 106 agreement and priority given to people with local need: that is, those employed in the area; living there for 3 years; inhabiting unsuitable accommodation in the area; or evicted from tied housing in the locality.

The project went relatively smoothly except for fairly protracted negotiations with the Lake District National Park Authority over whether the church should be listed on the grounds of its extensive art deco features. However, the decision to list was overruled by English Heritage and planning permission was eventually granted, subject to certain conditions relating to external features and construction materials.

The congregation are delighted with their new worship space at Ambleside Parish Centre, which is also used extensively by the local community for activities – bringing additional rental income to both the Methodist and Anglican churches.

Plate 30: Entrance to affordable homes on the site that was once the church hall



'In 2003 we were looking to redevelop our Methodist building at the same time that the Anglicans were looking to build a new Parish Centre for the benefit of the church and the community. It seemed foolish, not to say wasteful, for both churches to be putting money into building schemes. There is a long history of the churches in Ambleside working together and the obvious solution seemed to be to join with the Anglicans to make their building an ecumenical project. There was very little hesitation amongst the Methodist congregation but one thing that they were clear about was that they wanted their old church building to be used for the benefit of the community and not turned into an 'Anorak Shop'. We negotiated with Home housing association and the planners to make this possible. The journey was not an easy one but despite planning and charity law difficulties we achieved our purpose with support from local councillors and the community. I believe the scheme has not only proved a success from the point of view of providing much needed housing but has also been very good for community relations with the church. We have been seen to have the needs of the community at heart and to have made real sacrifices to see those needs met. It is also true that the Methodist congregation has grown since moving into its new home in the Ambleside Parish Centre.'

Revd Richard Hall, Methodist Minister

Plate 31: The interior and exterior of the old church have been converted sympathetically

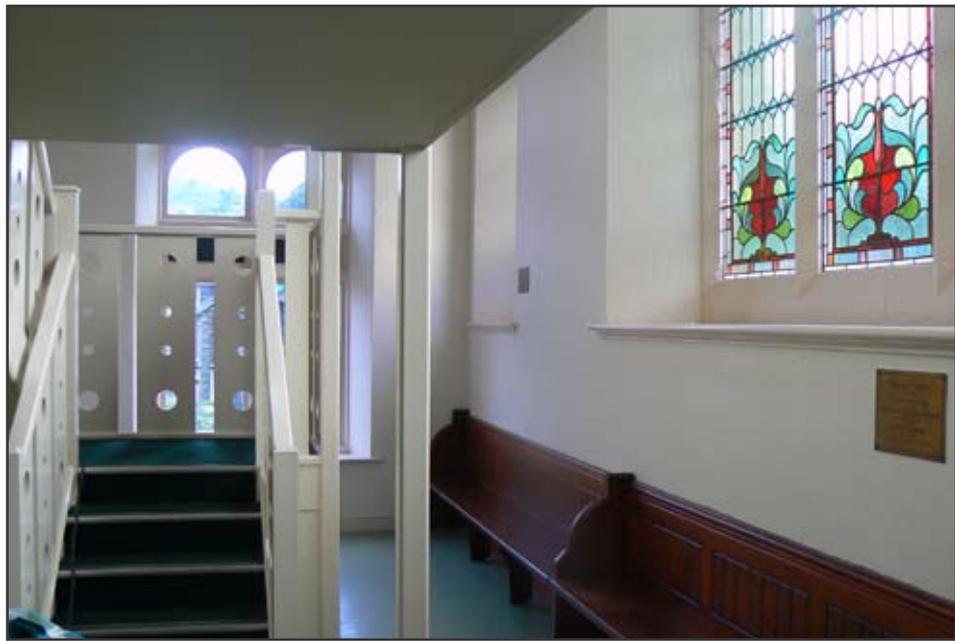


Plate 32: Entrance to the new ecumenical Ambleside Parish Centre





Plate 33: The new ecumenical Ambleside Parish Centre

CASE STUDY 7: Worcestershire Diocese (Belbroughton)

Denomination: Church of England

Type: New build

Completion date: 2006

The parish of Belbroughton is made up of two villages: Belbroughton and the smaller village of Fairfield. The population profile is older than in the rest of Worcestershire, indicating out-migration of younger people from the parish.

‘A significant proportion of the population has lived in the village for their whole lives and/or have family in the village to whom they give or receive support’ (Johnston and Saunders, 2005). The average house price in the area at the time the diocese was first considering development (in 2004/05) was just over £200,000; the average income for the same period was around £17,000 (Office for National Statistics, 2005). Based on average income multiples, this leaves a shortfall of nearly £150,000 for a single person or around £130,000 for a couple.

The lack of affordable housing in the village can be traced back over 40 years, when a village trust was set up by residents to address the dearth of affordable properties. Twenty-five houses were built on glebe land and sold below market value to people with local connections. (As this was prior to the Endowments and Glebe Measures (1976) Act, which transferred the ownership of glebe to Diocesan Boards, the original land was held by the Church Commissioners.) The trust restricted occupants from selling on the open market for seven years, but no mechanism was put in place to ensure that they remained affordable in perpetuity. Despite this, around half of the properties are still owned by the original residents. Since 1987, one of the trustees of that scheme has, along with the chair of the parish council, devoted considerable time to establishing a further affordable housing scheme in the village.

In 2002, the Worcestershire Rural Housing Enabler was invited by the parish council to carry out a Housing Needs Survey. This showed that within five years, 15 households would genuinely need (not just aspire to) affordable housing. All had a strong local connection and were unable to afford an open-market home in the village. Following this, a social housing developer, West Mercia Housing Group (WMHG), and a local housing association, Nexus,

were brought on board in 2003. In 2004, two public exhibitions were held to consult with the local community.

Four sites were considered for development in the village, but the preferred location of Bromsgrove District Planning Department was on the glebe land. The site was within the green belt, outside the village envelope and adjacent to the boundary of the existing 1960s development. Part of the glebe field had been sold for a medical centre a few years previously and the open-market developer had an option on it until February 2004. However, due to a moratorium on the building of open-market housing by Bromsgrove District Council, the land had remained undeveloped and was being used for grazing by a local animal sanctuary.

The diocese's land agent was approached in 2004 by WMHG and an agreement was reached to buy the site for £225,000. Planning approval was granted for 6 rented, 2 shared-ownership and 7 fixed-equity-sale properties (restricted in perpetuity to 57% of open-market value).



Plate 34: Affordable homes at Belbroughton

Extract from the Affordable Rural Housing Commission Final Report (2006)

'Mrs Wilson was born and lived in the village of Belbroughton, Worcestershire, where she is a teaching assistant at the local school. However, a lack of affordable housing meant that upon getting married she and her partner had to move to Stourbridge. Currently her children go to Belbroughton school which is more able to cope with her eldest son's Asperger's Syndrome, but because of her working pattern at the school she has to commute between Belbroughton and Stourbridge four times a day. This ongoing daily commute has obvious environmental effects, but also affects the quality of life that Mrs Wilson and her family have.'



Plate 35: Mrs Wilson and her sons

CASE STUDY 8: Salisbury Diocese

Denomination: Church of England

Type: New build

Completion date: 1992–98

Salisbury Diocese has been proactive in selling or leasing land for affordable housing since the early 1990s. This has resulted in six schemes so far, totalling 52 houses, including developments in:

Codford, Wiltshire (1992). Half an acre was leased over 125 years to Hastoe Housing Association to provide a mixture of six rented and shared-ownership properties.

Abbotsbury, Dorset (1993). Two acres were sold to Raglan Housing Association and a private developer for 20 rented and shared-ownership properties.

Thorncombe, Devon (1993). A third of an acre was sold to a developer for six rented houses as part of a condition for granting vehicle access to an open-market development.

Cattistock, Dorset (1997). Two-thirds of an acre was leased to Magna Housing Association to provide six rented cottages.

Kington Magna (1998). Three-quarters of an acre was leased for 120 years to Signpost Housing Association for six rented bungalows.

It also includes the development of an innovative **Train and Build scheme in Bridport in 1998.**

Bridport was selected for a Train and Build scheme because of its high incidence of single homeless people coupled with minimal employment prospects for the same group and a net out-migration of young people.

Part of the rectory garden was leased to Bournemouth Churches Housing Association (BCHA) for 99 years, for the development of eight one-bedroom flats for local, unemployed and homeless 18–24-year-olds. The occupants helped with the construction of the flats, under the supervision of a training master who was employed by the building contractor.

At the same time, they attended college and completed NVQs in their chosen building trade. Thus the scheme addressed not just housing, but also unemployment, education and training.

The prospective tenants started technical college in 1997 and completed 12 weeks of full-time education in a variety of building trades before being involved on site. Thereafter, they attended college on a part-time basis during the course of the building project.

The Train and Build Scheme differs from traditional self-build concepts in that it provides a formalised structure whereby individuals benefit from:

- the satisfaction of building their own home
- gaining invaluable employment experience as they are under the supervision of the appointed contractor and college instructors
- obtaining a formal recognised qualification, such as an NVQ, in their selected trade through on-site training and college attendance
- absolute tenant participation.

Richard Trahair of the Salisbury Diocese said, 'The young people have had the satisfaction of building their own home whilst at the same time gaining an NVQ qualification. It bolsters self-esteem and also increases their life chances.'

Project costs. The project involved capital and revenue costs. The capital cost to cover construction was funded by the Housing Corporation (£132,000), West Dorset District Council (£60,000) and long-term loans (£306,000). The revenue cost (£69,400), to cover training and the payment of a training allowance to each individual of around £100 a week, was funded by the European Social Fund (£31,250), West Dorset District Council (£22,000), a small grant from a timber supplier and the balance from BCHA's own resources.

The lease of the surplus rectory garden has not only provided money for the diocese that it otherwise would not have had, but also generated a number of other economic, social and political benefits:

- Economic**
 - Provided local employment for both the individuals involved and local people employed by the contractor.
 - Provided formal training for individuals, increasing their life chances.
 - Provided an affordable rent for the individuals involved.
 - Increased the economic prospects of the local community.
- Social**
 - Provided much needed social housing.
 - Helped to stem the out-migration of young people in search of work/training.
 - Bolstered the self-esteem of the individuals involved.
 - Helped to cement community relations and social cohesion.
- Political**
 - Showed that all parties involved, including the church, were committed to the idea of alleviating the basic problems that affect rural communities.



Plate 36: Trainees building their homes at Bridport

CASE STUDY 9: Old School, Troutbeck, Cumbria

Denomination: Church of England

Type: Conversion

Completion date: February 2008

Troutbeck is in a popular Lake District village and as a result it has a high proportion of second homes. Open-market sale prices and rents are well above average, and there is very little affordable housing. In response to the desperate need for affordable housing, a local community group and the parish council began to look for sites to develop homes for local families who were unable to afford market prices.

The parish council approached Mitre and Eden housing associations to find out whether they could acquire the old school premises from the Diocese of Carlisle to provide affordable homes. At the time, the property was leased by the diocese to the Lake District National Park Authority and discussions were taking place with the authority with regard to converting it into two cottages for open-market sale. However, following an approach from Mitre, the diocese was agreeable to disposal on favourable terms (as has been the case on other occasions), thereby enabling affordable housing to be built.

The conversion of the old school into two affordable rented houses (one two-bedroom and one three-bedroom) started in March 2007 and was completed in February 2008. The scheme progressed without any major problems, and was only slightly delayed by a colony of bats that inhabited the roof space. Building had to stop until the bats left their roost, but special fittings were installed into the roof to allow them to continue in residence!

The two rented properties contribute to the sustainability of the village and church by giving local people the opportunity to remain there.



Plate 37: The Old School House at Troutbeck

Mitre Housing Association

Mitre Housing Association, formerly known as the Carlisle Diocesan Housing Association, is a Cumbria-based organisation providing 140 homes for rental throughout the county. It was founded by the Diocese of Carlisle in 1984 and most of its committee are active in their local churches.

Many of Mitre's developments have been on church-owned sites, and in some cases these have been on favourable disposal terms with the diocese and Church Commissioners to ensure that affordable housing could be provided. There is no Right to Buy on the properties.

Most of its developments have been small rural new-build schemes, but have also included the old school conversion at Troutbeck (as described in this case study) and the conversion of St John's Church, Windermere, into 15 flats. Proposed developments include the conversion of a former church school at Rusland and Satterthwaite and the conversion of a parish hall at Coniston where a new development is also planned on land adjoining the church and owned by the parish.

All of Mitre's developments are undertaken on an agency basis by Eden Housing Association, which also manages its properties.

Text of letter from the Charity Commission (England and Wales) to a participant in the Faith in Affordable Housing project

30 May 2008

Dear Mr Trahair

Disposal of land by a charity for affordable housing

Thank you for your letter and enclosures of 6 May.

You have asked for the Charity Commission's views on the contents of a letter sent by Chris Smith of the Office of the Scottish Charity Regulator (OSCR).

The OSCR have stated that if a disposal of land furthers a charity's purposes then it can be at below the best price reasonably obtainable. Where the doctrine of a religious denomination establishes as a religious duty that the poor should be helped or those in need relieved activities of this kind may be undertaken in furtherance of the advancement of religion.

The Charity Commission would agree that the law of England and Wales is consistent with the above interpretation.

If a disposal is being made in furtherance of a charity's purposes, then s.36 (9) of the Charities Act 1993 permits it to be made at less than the best price reasonably obtainable. It is also the case that many people would understand that part of the doctrine of Christianity is the assistance of poor and needy people and therefore activities towards those ends could be seen as a means of advancing Christianity.

However, as with all the activities the charity undertakes, it is for the trustees of the Salisbury Diocesan Board of Finance to be satisfied that there is a clear link between the charity's stated objects and the provision of land for affordable housing and that this activity is undertaken in the charity's interests.

I hope this is helpful.

Yours sincerely

Nigel Geary-Andrews
Senior Liaison Officer – Large Charities Division

APPENDIX 2

Checklist for action for the use of church assets for affordable homes

Actions	Section of this guide	✓
Have you assessed the status of church land and property ownership and informed whoever makes the final decision on land disposal about your plans?	2.1	
Have you conducted an audit and/or are you aware of all potential suitable land and property holdings?	2.2	
If you are considering developing an old church, have you decided whether you want to maintain a church presence in the community, and if so, how this can be achieved?	2.3	
Have you agreed your terms, e.g. disposal of your land/property only; shared use of the site?	2.3	
Have you made informal enquiries to local planners and district/parish councillors?	4.2.1	
Have you assessed your disposal options, i.e. lease or sale?	2.4	
Has housing need already been established, or has it been determined who will assess need?	4.1	
Have you identified your partners? (Are you considering ongoing managerial involvement in the housing or ongoing pastoral arrangements with users?)	3; 4.4	
Is the majority of the congregation behind the plans? And, if there is likely to be opposition from the congregation or community, have you decided how you will deal with it?	3.3	
If you are planning on working with a housing association, have you assessed whether it has a good track record and whether you will be able to work together in a way that is acceptable to you?	3.7	
Have the basic details of the scheme been agreed by partners?	3	
Has the appropriate church authority consented to the scheme and sale/lease?	3.1	

continued

Has a feasibility study of the proposed scheme been done (by an architect/surveyor)?	3.9	
Are there any particular problems with developing the site? For example: Are there any historic or architectural restrictions (e.g. Listed)? Is the property/land consecrated? Are there any ecclesiastical constraints or considerations?	2.3	
Is planning permission likely to be granted?	4.2	
Has the scheme been costed (e.g. land fees (legal transfer fees, planning and building regulation fees, stamp duty); professional fees (architect, quantity surveyor, structural engineer); construction (highways costs, main service provision, ground reinstatement); insurances and VAT, where applicable)? (Note: This is not covered in the guide as many of the development costs will be covered by a housing association, if you choose to work with one.)		
Has a valuation of the site been agreed?	4.3	
Have the terms of the lease or sale been agreed and are any legal restraints acceptable?	2.4	
Have you determined how the scheme will be financed (e.g. housing association grant, trust funding, church contribution, loans or private funding)?	4.4	
Has the tenure been determined?	4.5	
Have the allocation criteria been determined?	4.6	

APPENDIX 3

Housing health check form

Date completed		Completed by	
Settlements/villages in health check area			
Vital statistics			
Total population (See note 1)		Total no. of households (See note 1)	
Total housing stock (no.) (See notes 2 and 3)			
% of rented homes for local people at below market rents, or low-cost home ownership (LCHO) (e.g. housing association, council, charitable trust)			
% of second and holiday homes			
Affordability assessment (See notes 4 and 5)			
Average annual income	£		
Mortgage affordability (income x 3.5)	£		
Average house price (all types) last 6 months and no. of sales	£	sales	
Average house price (terraced and semi-detached) last 6 months and no. of sales	£	sales	
Ratio of income to average house price (all types)	:		
Ratio of income to average terraced and semi-detached price	:		
Health check summary			Yes / No
Is the ratio of income to the average terraced/semi-detached price more than 1 : 3.5?			
Are more than 15% of homes second or holiday homes?			
Is less than 15% of the housing stock available to local people at below market rents or LCHO?			
Other information <i>Include any other local information that may be relevant (for example, shortage of smaller homes; evidence of families moving away; high private sector rents; recruitment difficulties for local businesses because of lack of affordable housing).</i>			

Housing health check form – notes

- 1. Population and household types.** This will tell you how demographically balanced your community is: for example, whether there are enough young people; whether there is a good mix of younger and older households; and whether there are enough children to support the local school. This can be obtained through [Census](#) data, or if these are out-of-date, population estimates are available on the [Neighbourhood Statistics pages of the ONS website](#).
- 2. Council and housing association housing.** The [Census](#) provides information on the number of council and housing association homes, but again this may well be out of date. Your local authority housing department should have up-to-date figures.
- 3. Second homes and holiday homes as a proportion of all housing.** The proportion of second and holiday homes is produced at parish level as part of [Census](#) data – although the 10-year interval between censuses means that the data can be out of date. If you live in a small village, it may be reasonably easy to count these up.
- 4. Local house prices.** Average sale prices based on housing type (detached, semi-detached and terraced houses and flats) and the overall average price of a home can be obtained from the [Land Registry website](#). It also records the number of sales in each category. The data are available at regional, county and local authority levels, down to postcode sectors (e.g. GL52 4). However, when analysing Land Registry figures, you should be aware that the postcode sector may extend beyond your community, or your community may include more than one postcode area, so the figures may be skewed. Also in smaller areas with fewer sales, average prices may not be representative. If you feel that the Land Registry cannot provide you with accurate information on sale prices, your local estate agents should be happy to provide details of the asking price of properties on their books and the number of recent sales.

Information from the Land Registry and local estate agents will also provide data on how many properties are coming on to the market, and what type they are. You should consider how many properties would be suitable for first-time buyers.

- 5. Income.** Average gross annual income figures by local authority area are available from the [Annual Survey of Hours and Earnings](#) on the ONS website. Although mortgage lending

criteria vary, building societies will usually lend up to 3.5 times the annual income of a single-earner household, or if there are two borrowers, three times the main income, plus the second income, or 2.5 times their joint income. With information on both incomes and house prices in the area, you can quickly determine whether houses are affordable to those people on a local wage.

Source: adapted from [Cumbria Rural Housing Trust](#).

GLOSSARY

Commissary Court

The *Consistory Court* for the Diocese of Canterbury.

Community Land Trust (CLT)

Not-for-profit organisation that holds land and property for the benefit of present and future generations. It must be established for the express purpose of furthering the social, economic and environmental interests of a defined locality or community and ensure that: (1) any profits from its activities will be used to benefit the local community, (2) individuals who live or work in the specified area have the opportunity to become members of the Trust, and (3) the members control it.

Consistory Court

Ecclesiastical court of a Church of England diocese (other than Canterbury) that mainly deals with the 'faculty jurisdiction' relating to consecrated land and buildings.

Design Statement

Document prepared by local communities detailing the distinctive character of a place, including the nature of buildings and landscapes. It sets out design principles to show how new developments can protect and enhance that which already exists.

English Heritage

Non-departmental public body of the Department for Culture, Media and Sport responsible for managing, protecting and promoting England's historic environment.

Extra Care (housing)

Housing designed to meet the needs of frail elderly people. Properties are self-contained and available for purchase or rent. Care and support is available on site to suit individual needs. Communal facilities are also provided (e.g. lounge, guest room, laundry, dining room, leisure room). Extra Care housing is also known as very sheltered housing, assisted living or housing with care.

Glebe land

Church of England land donated in the past by patrons and wealthy parishioners, to provide an income for the incumbent. The Endowments and Glebe Measure 1976 (as amended) transferred ownership and management of glebe from individual clergy to the Diocesan Board of Finance, which is charged with the duty of administering it for the benefit of clergy stipends in the diocese concerned.

HomeBuy

A range of low-cost home ownership initiatives funded by the Housing Corporation to enable people to purchase or part-purchase their own home. There are three initiatives: *New Build HomeBuy*, where the shared owner buys a percentage of the leasehold property and pays rent to a Registered Provider on the remainder; *Open Market HomeBuy*, where purchasers buy a property using a conventional mortgage, but with the assistance of a Housing Corporation equity loan; and *Social HomeBuy*, helping existing tenants to buy their own home.

Homes and Communities Agency (HCA) (formerly the Housing Corporation)

Non-departmental public body that reports to the Department for Communities and Local Government. The HCA was formed following the dissolution of the Housing Corporation on 1 December 2008 and is responsible for funding new affordable housing and regulating housing associations in England. It was evolved following the merger of English Partnerships, the investment programme of the Housing Corporation, the Academy for Sustainable Communities and key housing and regeneration programmes delivered by the Department for Communities and Local Government.

Housing association

Independent not-for-profit organisation that provides low-cost housing for people in housing need. Housing associations are registered with and regulated by the HCA.

Housing Corporation (now ceased)

Non-departmental public body that funds and regulates Registered Providers of affordable housing. It was established by the Housing Act 1964, and ceased to exist on 1 December 2008 when its functions were transferred to two new organisations: the Homes and Communities Agency (HCA) (the new investment and regeneration agency) and the Tenant Services Authority (TSA) (the new regulator of social housing providers).

Intermediate Housing

Affordable housing which is available to eligible groups who can afford more than social rent, but cannot afford open-market levels. It includes shared ownership (e.g. *HomeBuy*), key worker housing and ‘intermediate rent’.

Key worker

Person employed by the public sector to deliver essential public services (i.e. health, education and community safety).

Local Development Documents

Documents prepared by district councils, unitary authorities or National Park authorities which outline the strategy for development and use of land in the authority’s area, including a target for affordable housing.

Measure

Piece of Church of England legislation originating in the General Synod. If also approved by Parliament, it becomes part of general law and equivalent to an Act of Parliament.

Quota

The threshold of dwellings on an open-market site, above which a number of affordable homes are required by legislation. The national indicative minimum site-size threshold is 15 dwellings. However, local planning authorities can set lower minimum thresholds.

Regional Spatial Strategies (RSS)

Documents prepared by regional planning bodies (except in London, where it is the responsibility of the mayor). RSSs provide a broad development plan for a 15- to 20-year period and inform the preparation of Local Development Documents and regional and sub-regional strategies and programmes related to land use activities. They set out the approach to tackling housing needs and state the affordable housing target for the region.

Registered Provider

Social landlords that are registered with and regulated by the *Homes and Communities Agency*. Most are housing associations, but there are also trusts, cooperatives and companies. Registered providers are the main providers of new affordable housing.

Rural Community Council

'Charitable local development agencies, generally based at county level, which support and enable initiatives in rural communities' ([ACRE website](#)).

Rural Exception Site (policy)

Planning policy (PPS3) that enables small sites to be used specifically for affordable housing in small rural communities that would not normally be used for housing because, for example, they are subject to policies of restraint. Rural Exception Sites can only be used for affordable housing in perpetuity and seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection to the community.

Rural Housing Enabler

Independent individual funded by Defra, the HCA, local authorities and *housing associations* to work with communities, local authorities, housing associations and landowners to identify housing needs and facilitate ways to meet those needs.

Section 106 (agreement)

Agreement as outlined in the Town and Country Planning Act (1990) between local authorities and purchasers of land in their area restricting the development or use of land, which can accompany planning permission to control occupancy of affordable homes in perpetuity.

Shared ownership

The occupier buys a share of the property and the remainder is retained by a housing association. Rent is normally paid on the share that is not owned by the occupier. Usually the share owned by the occupier can be increased, under Right to Acquire, but cannot exceed 80% in settlements with a population of less than 3,000.

Social Housing Grant

Grant provided by the Housing Corporation to Registered Providers (e.g. housing associations) to develop social housing.

Social rented housing

Rented housing owned and managed by local authorities and *Registered Providers*, for which target rents apply through the national rent regime. It also includes rented housing owned or managed by others under a similar rental arrangement agreed with the local authority or with the HCA.

Tenant Services Authority (TSA)

Non-departmental public body that reports to the Department for Communities and Local Government, and which took over the Housing Corporation's regulatory function on 1 December 2008. Its functions include setting performance standards and enforcement powers to take action to improve services for tenants. It will initially cover housing association tenants, but will include local authorities within 2 years.

Terrier

A register of land, such as that held by Diocesan Boards of Finance in respect of *glebe land*.

Village envelope

The boundary around a rural settlement determined by the local authority, beyond which it considers the village should not be extended.

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