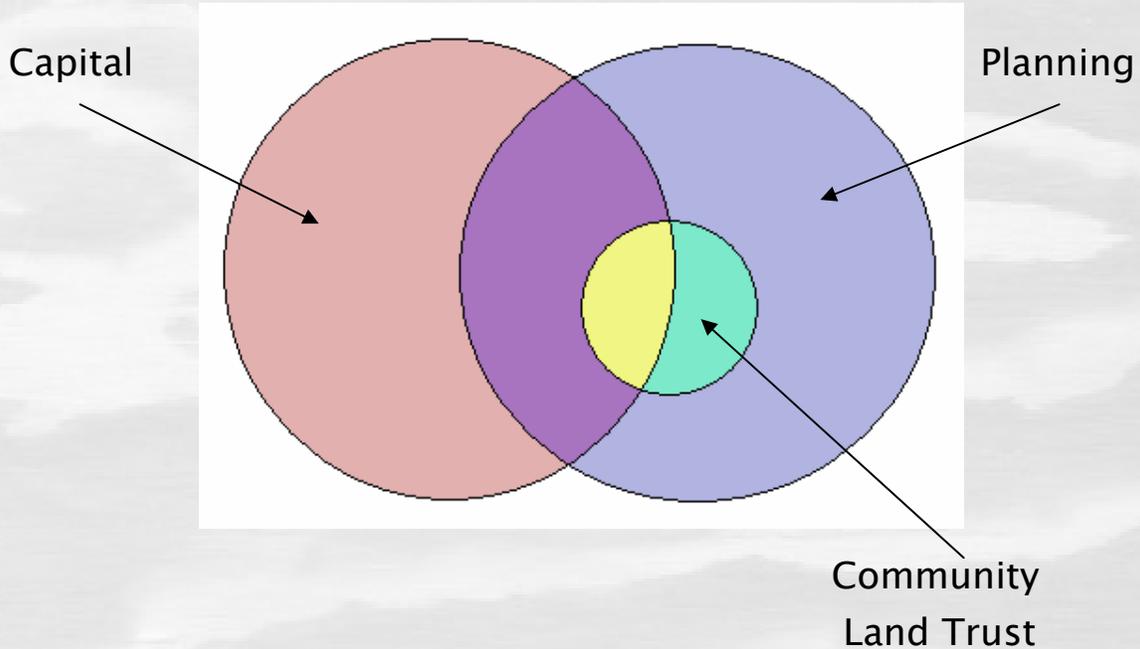


## Defining a Community Land Trust



### KEY

-  Capital. The effect of Market Forces on the Price of Land.
-  Planning. The effect of Planning Legislation on the availability of Land to those who cannot afford Market prices.
-  The area of Land owned by the CLT projected for Development.
-  The two-way influence of Market Forces and Planning Legislation.
-  The combined effect of the Market and Planning on the potential of a CLT to evolve within existing and proposed structures.



“We recognise that sustainable social enterprises have an important role to play within our overall economic development strategy. Social enterprises take many forms, yet each one exemplifies values that are important to us. They contribute to tackling social exclusion and to bringing the economically inactive back into the world of work. They provide a real alternative for those who are not attracted to the profit-making sector. And in the context of ‘Making the Connections’ they have a vital part to play in putting the citizen centre stage.” Edwina Hart AM

### Sustainable development and the Environment

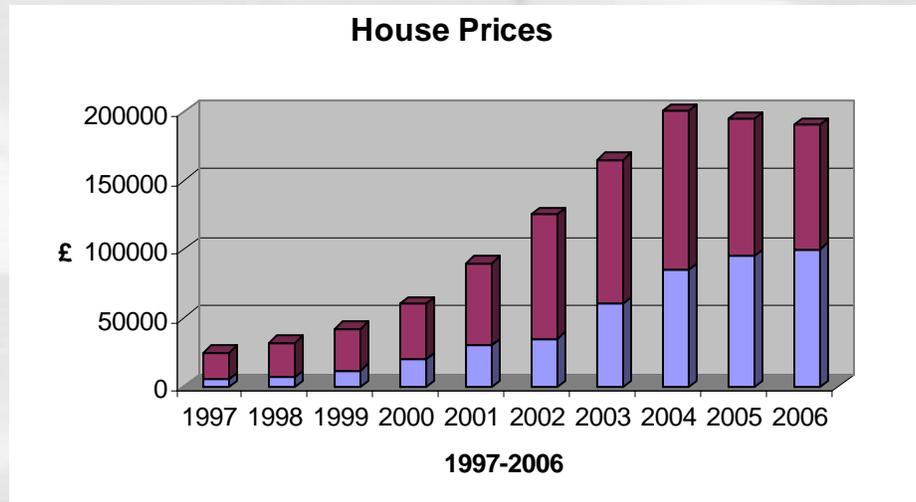
In the diagram above I have tried to give a model for an understanding of how new ideas on Land use can be incorporated. Apart from the obvious convergence between traditional ideas of society, or culture in general, and the natural world, the quote from the Social Enterprise Strategy above expresses the sense that we need new models to enable practical change and reform. Basically the prominent theories which have given Wales a measure of Devolution are evolving to create a different understanding of how our living spaces are developed and ways of planning the infrastructure which recognize the ecological restrictions we must place on our lifestyles.

Although the origins of Community Land Trust can be traced back to legal concepts of inheritance as well as the emergence of forms of housing development which gave us the structure of the Industrial Provident Society, in its modern guise CLT has the advantage of acting as a means of ensuring sustainability in a world which still adheres to purely market-driven considerations. In fact, while attempting to explain what a CLT is to someone at a recent Environmental Forum, I found myself extolling the sustainable virtues of CLT to the extent that I realized how much conventional economic considerations actually prevent the implementation of necessary ecological structures due to the impact of market forces.

“Regeneration creates value, but too often that value benefits institutions rather than communities. We have tried to create a way of capturing value for the community. In the CLT model, we also have a new option for local authorities that want their asset management plans to be more than the choice between keeping assets and selling them on the open market.” ( Wessex Re-investment Trust )

### Value for Money

Since 1997 we have seen the steady rise of house prices which has progressively put them out of reach to the first time buyer despite huge increases in their borrowing capacity.



But a closer look at the structure of house prices over the last ten years reveals that the value of the bricks and mortar peaked in about 2003, at which stage it was the cost of development land which accrued a higher percentage of the increase. To combat this a Windfall Tax was introduced and now we can see that the relative values of house and land price are roughly equal in this hypothetical model. The main point for this analysis is that if we compare the relative prices in 1997 and 2006 we have jumped from a ratio of about 1/5<sup>th</sup> to 1/2. Crucially for those who would consider Self-Build, this means an increase in capital costs of about 500%.

So if the CLT can obtain land either by transfer from public stock, gift from a Trust benefactor, sale of share-issue, or sale at agricultural prices, it can significantly alter the feasibility of Community Self-build projects in line with new planning legislation. The actual details, both of the land ownership and the terms of occupation, mortgage repayment or rental arrangements are not fixed by the CLT model as such, but would be written into the constitution of any separate Housing Co-op or Community project.

# DEVOLUTION AND NATURE

The first diagram illustrates the sense in which economic structures have conformed over the past twenty years to a sense that big is not necessarily beautiful. Although ecological constraints have more recently made us aware of the limits to unregulated industrial growth, this is based on the idea of nature as a resource rather than any sense of the deconstruction of social paradigms.

Modern ecological awareness has tended towards a concept of nature that also defines our human habitation of the environment; the sense that we are part of the natural world and that there are natural human scales to community which give us a model for the organisation of economic life.

CLT attempts to express this restoration of what is, after all, a relationship with the natural world which underpins not only our survival, but more subtly, our potential for fulfilment as social animals. Briefly, CLT acts as a model of a natural process of human land use and reflects the values of co-operation which can regenerate our concept of the environment as a spiritual resource.

## TIMELINE OF TRADITIONAL LAND USE

|  
C12-C16 AGRARIAN ECONOMY  
*DOMESDAY, MAGNA CARTA, DISSOLUTION*

|  
C16-C17 ENCLOSURES  
*ARITOCRACY GRAB COMMON LAND*

|  
C17-C18 AGRARIAN TRADE  
*CORN TAX, GOLD, MERCANTILISM*

|  
C18 INDUSTRIAL REVOLUTION  
*WAGE LABOUR, RENT, CAPITALISATION*

|  
C19 FINANCIAL DOMINATION  
*BANK OF ENGLAND, SPECULATION*

|  
C20 MONOPOLISATION  
*RESOURCE CONTROL, GENERAL STRIKE*

|  
SOCIAL PLANNING

|  
FISCAL TAKEOVER

|  
C21 GLOBAL MONOCULTURE  
*RETURN TO AGRARIAN ECONOMY?*



Pembrokeshire Landscape by Theo Whalley

## *References to CLT from Official sources...*

### **Welsh Assembly Government - The Affordable Housing Toolkit**

#### **Community Land Trusts**

6.41 Community Land Trusts (CLTs) have been advocated in some parts of rural Wales as vehicles to address local affordability issues. Supporters argue that one of their main purposes is to remove land from the speculative market and to make affordable housing available to people who find difficulties in competing in the prevailing housing market. However, elsewhere, CLTs are also involved in maintaining land in the ownership of the community for conservation, agriculture and workspace.

6.42 All CLTs are unique and develop according to local needs. In Scotland, for example, they are more concerned with securing agricultural land upon which the future of crofting communities depends. In all cases, however, CLTs separate freehold from leasehold, thus potentially reducing the value (depending on the length and terms of the lease) of the property built on the land whilst retaining the freehold for the benefit of the community in perpetuity.

6.43 Whilst examples of successful CLTs are cited in England and Scotland, none have been formally constituted in Wales although there are indications that some embryonic trusts may be progressing towards this stage. Discussions remain ongoing regarding the potential benefits of CLTs in the provision of affordable housing and in particular the benefits of providing public subsidy to develop housing that could be provided by existing RSLs using existing mechanisms.

6.44 There are also issues concerning the status of CLTs within a community. In Scotland, all members of the community are balloted and a turnout of at least 50% of the population is required with at least 50% of those voting being in favour of setting up a CLT. This is an effective means of ensuring that any undue influence by a pressure group within the community is avoided but could well be an impediment to a trust whose main purpose is to provide affordable housing. It is also unclear what part ownership or rental models CLTs would adopt and how these models would improve on the current regime operated by housing associations and local authorities

### **The Wales Spatial Plan**

Devolution has given us the opportunity to shape distinctively Welsh answers to Welsh questions, with more power to guide action, both directly or indirectly. To do this we need to co-operate across traditional boundaries and compartmentalised thinking – whether sectoral or geographic. We recognise that ‘one size’ solutions do not fit all parts of Wales. We need to identify the most suitable approach for each individual area within our overall strategy. Differing structures may also be needed as those that work in, for example, health, may not be suited to addressing another issue, like transport.

## **SPG – Affordable Housing in Pembrokeshire**

### **Self Build with Community Land Trusts**

26. Where a number of self builders are interested in providing affordable housing a way forward may be to support self build within the context of Community Land Trusts. Community Land Trusts own land for the benefit of the community, and the people living and working there. The purpose of these trusts is to create common wealth, in the form of, e.g., affordable land for housing. These resources are more accessible to the community, stewarded by it, and retained in community control.

### **Land for People - IPS Model Rules**

#### **Objects**

1. The association is formed for the benefit of the Community of Narberth and its surrounding area (the area of benefit).
  - 1.1 Its objects (the "objects") shall be to carry on for the benefit of the Community:
    - 1.1.1 the relief of poverty through the provision of housing, accommodation and amenities;
    - 1.1.2 the advancement of education and relief of poverty through the promotion and encouragement of Community involvement in regeneration and development within the meaning of s126 of the Housing Grants, Construction and Regeneration Act 1996;
    - 1.1.3 the protection, conservation, restoration and enhancement of the environment through the purchase, lease and management (including farming) of land;
    - 1.1.4 the provision of land, amenities or services, the provision, construction, repair or improvement of buildings for collective or individual members of the community, either exclusively or together with other persons;
    - 1.1.5 the provision of services of any description for owners or occupiers of houses in arranging or carrying out the works of maintenance, repair or improvement, or encouraging or facilitating the carrying out of such works;
    - 1.1.6 the provision of facilities for sport, recreation or other physical activity or other leisure time occupation in the interests of social welfare with the object of improving their conditions of life;
    - 1.1.7 the advancement of education and developing and promoting best practice concerning Community Land Trusts;

- 1.1.8 to promote and encourage community involvement in regeneration and development, in particular by encouraging and giving advice on and assistance with forming, managing and developing Community Land Trusts for the benefit of particular sections of the Community, or particular geographical areas and by acting as a representative of and for other Community Land Trusts within the area of benefit;
- 1.1.9 any other charitable object for the benefit of the Community that can be carried out as the board may decide from time to time.

### **The Legal perspective on CLT**

Community Land Trusts - the legal perspective; land ownership the heart of the CLT. This presentation was made by Catherine Hand of Trowers and Hamlins Solicitors at the CIH conference July 2006 -

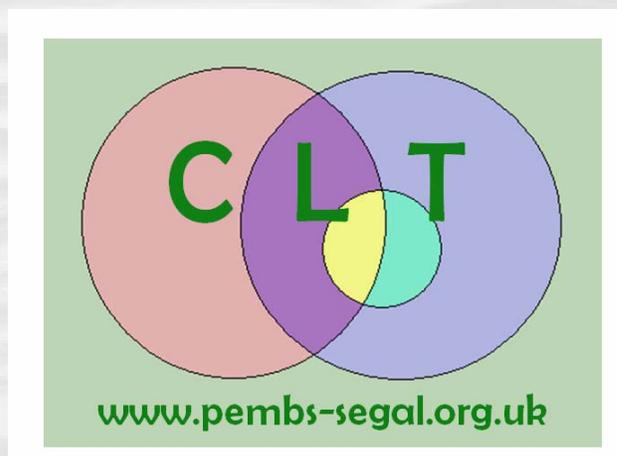
<http://www.communitylandtrust.org.uk/documents/legalperspective.pdf>

### **Richard Clarke – BSHF -**

A CLT enables a community to collectively purchase a piece of land. The land can then be used in a way that benefits the community, particularly for affordable housing. CLTs have been around for a while but it has taken a long time for the government to acknowledge their potential.

With a CLT there is an agreement that sell-offs for individual profit aren't allowed. If one householder decides to sell their property, they must share the equity with the new owners. This keeps the ownership within the trust and means that the housing continues to be affordable. Getting people working together to become homeowners is a great way to stem the current housing crisis. <http://www.bbc.co.uk/dna/actionnetwork/A16932116>

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