

The Community Land Trust Handbook



CLT Handbook

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Introduction

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'Brick by brick, loaf by loaf, we build ourselves'

Homebaked CLT

1.1 Introduction to the CLT Handbook

Setting up a Community Land Trust (CLT) is an exciting opportunity but it can be a daunting task, especially once you start delving into the more technical aspects of governance, funding or development. This handbook provides a helping hand throughout the process. It provides **up to date and essential information** on the stages of setting up and running a successful CLT, from engaging with the community and the initial stages of formation right through to managing and stewarding the homes, workspaces, community hall or community pub.

The chapters refer primarily to the process of forming a CLT with the purpose of providing affordable housing but they do also provide information for CLTs set up for other purposes and there are chapters on community energy generation, community food and farming.

Who is the handbook for?

This handbook is designed for use by communities wishing to set up a CLT to develop homes and other assets as well as to provide a key reference guide for those CLTs that are already part way along the journey. It is also a useful source of reference for those that work with communities, including local authorities, housing associations, developers and consultants.

The content of the handbook will be updated and more topics will be added to over time, with new information made available via the National CLT Network website **www.communitylandtrusts.org.uk**. Updates can be referred to online or downloaded and printed off.

How to use the handbook

The handbook sets out the steps involved in order of how they may be taken, and can therefore be read from cover to cover. However, because many of the steps may in practice be taken simultaneously or some returned to again at a later stage, each fact sheet is self-contained and can be referred to at any point.

The handbook is accompanied by **model policies** and **examples of best practice**, where appropriate. These are available on the National CLT Network website: **www.communitylandtrusts.org.uk**

Each section of the handbook has been prepared with care and attention. The handbook should be treated as general information, not as instructive, and communities should take in-depth legal and technical advice where appropriate and prior to following any guidance contained here. They should also be aware that the issues discussed are subject to a changing political and legal environment and we do not assume responsibility or liability for the content of any third party websites or resources referenced in the guidance.



CASE STUDY

CLTs in Action: Lyvennet Community Trust

Whilst every CLT is unique, Lyvennet Community Trust really encapsulates what a community can achieve when they do something for themselves. With ingenuity, passion, resourcefulness and a certain opportunism, Lyvennet Community Trust has secured a sustainable future for the village of Crosby Ravensworth in Cumbria.



It all started back in 2008 when a group of residents set about to explore what their village could look like in ten years time. They discovered that there was evidence of a need for 23 affordable homes in the parish of Crosby Ravensworth. High house prices and low average incomes had created a barrier to the housing ladder for many local people, especially younger people.

Instead of thinking about who could solve the housing problem for them, the local residents were galvanised into action and decided that a CLT would be the best way to deliver the much needed new homes. They were convinced by the fact that the homes would be kept in community ownership and control and would be affordable for future generations.

Since then, the Trust has been on a rapid but steep journey towards building 20 homes in the parish. In 2009, it registered as a company, with membership open to the whole community, and started the process of development. A former stone works in the village provided the site for the new homes. The Trust took it over in December 2010.

In 2010 the Trust's work took on a new dimension. When the village pub closed, a rescue plan was put in place. It set up Lyvennet Community Pub Ltd in February 2011, raising £300k through a community share issue. People bought into the scheme from right across the community, including parents buying shares

on trust for their children, and right across the world, and by August 2011 the pub was re-opened. A £75,000 refurbishment included over 4000 hours of volunteer input.

The 20 plots on the stone works site include eight self-build plots, for local residents who wanted to be more involved in the design of their own homes. The Trust has built ten houses for affordable rent and two shared-equity properties. All the plots have local occupancy restrictions, keeping the properties available for people with a connection to their community, to build a thriving village. The Trust was the first CLT in the UK to become a Registered Provider with the Homes and Communities Agency, so that it can manage the homes themselves.

The development process has presented its own challenges. Perseverance has seen the Trust deal with everything from asbestos and “nesting bat” surveys, to securing grants from the Homes and Communities Agency and moving a local electricity substation. The process has also seen events from a “design your dream house” competition at the local primary school, to a sponsored abseil down the church spire. The village is now planning a community-owned shop, along the lines of the pub, and a separate scheme is working on an anaerobic digester, to provide power and income for the community. As Lyvennet Community Trust has shown, when a community puts their mind to something, anything is possible.

1.2 What is a Community Land Trust?

As the example of Lyvennet Community Trust encapsulates, Community Land Trusts are powerful examples of communities taking control and transforming the future of their local community. They are non-profit, community-based organisations run by volunteers to develop housing, workspaces or other assets that meet the needs of the community and are owned and controlled by the community.

CLTs have a transformational effect on the fabric of their local areas, bringing new homes and facilities that become the centrepiece of their community and a forum for new enterprise.

And, by members of the community working together to deliver homes or assets for their village or neighbourhood, CLTs also build stronger and more resilient communities.

CLTs are defined in Statute as a corporate body which satisfies conditions laid out in Section 79 of the Housing and Regeneration Act (these are spelled out in Chapter 4 Forming a CLT – governance and legal structures).

The statutory definition is purposefully broad and encompasses the diverse range of CLT activity. All CLTs share five **key features**:

Key features of a CLT

Community-controlled and community-owned

A CLT is set up by the community and for the community. The members of the CLT will control it and the assets can only be sold or developed in a manner which benefits the local community. If the CLT decides to sell a home, the cash realised is protected by an asset lock and is re-invested into something else that the trust's members think will benefit the local community.

Open democratic structure

People who live and work in the defined local community, including occupiers of the properties that the CLT owns, must have the opportunity to become members of the CLT. The CLT should actively engage members of the community in its work and ensure that they remain engaged in the development and operation of the CLT.

Permanently affordable housing or other assets

This is a crucial defining feature of a CLT. A CLT will endeavour to keep the homes or assets permanently affordable. This means that the home or asset is not just made affordable for the first buyer but that the CLT maintains the affordability of the housing or asset in perpetuity.

Not-for-profit

All CLTs are not-for-profit and any profits generated by the CLT cannot be paid by way of dividend or otherwise to its members but must be used to further the community's interests.

Long-term stewardship

A CLT does not disappear when a home is sold or let but has a long-term role in stewarding the homes. In some cases, they will remain the landlord of the rental homes or will retain an element of unsold equity in the homes.

Why set up a CLT?

The stimulus to set up a CLT is the desire to provide land or buildings to meet specific local needs. The most common aim is usually to create affordable homes that are available to local people who cannot afford open market housing. However, once a community has established a CLT and delivered its first project, people often feel empowered to take on whatever the next challenge might be that faces their community, such as purchasing the local pub when it is about to close, or setting up a community shop.

There are a number of benefits to setting up a CLT. CLTs can:

- Help meet local housing need;
- Lock in public or private subsidy, due to the commitment to permanent affordability, ensuring the homes do not leak out onto the open market;

- Bring forward land that might not otherwise be available;
- Achieve wider social and economic benefits for the community: development by a CLT does not only bring new homes but also creates stronger communities.

Complementary role:

CLTs and housing associations have a lot in common and CLTs can complement the role of housing associations by bringing community-led solutions to housing and other needs. Many CLTs have successfully partnered with a housing association to deliver new homes or other assets, as set out in Chapter 8.



1.3 Brief history of the CLT movement

To date there are over 100 CLTs in England. These range from those that are just starting out, to those that have developed several homes or other assets. The majority of CLTs are rural and small scale but there are a number of urban CLTs that are beginning to show that CLTs can work at scale.

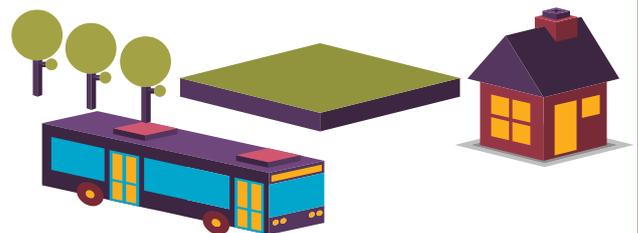
Across the border in Scotland CLTs have bought estates, forests and whole islands and now own over 500,000 acres. These CLTs have brought this land into community ownership and their story is told in the book 'From the Low Tide of the Sea to the Highest Mountain Top' (Hunter, 2012).

Whilst CLTs are a nascent but growing movement in England, they are not an altogether new and unfamiliar concept. There is a long history of community ownership and management of housing and assets in this country. Garden Cities, such as Letchworth Garden City, are based on a model where a community trust owns and manages the assets on behalf of the community, and could be viewed as an early example of a CLT. The CLT model that we know today, however, owes itself to the large scale and inspiring CLT movement in the United States.

With over 240 CLTs in the United States and some 5,000 CLT homes CLTs have become an accepted way to deliver affordable housing in the United States. Unlike in England, where most CLTs are rural, the majority of CLTs in the United States are urban and comparatively large scale, with the largest, Champlain Housing Trust, owning over 2000 homes. There are also a number of city-wide CLTs that have significant plans for development.

The CLT model emerged in the late 1960s in the US as a result of a fusion of older ideas of common ownership and the stewardship of land for wider community benefit, with the pressing needs of African American communities during the civil rights movement. A number of influential figures in the civil rights movement, including Bob Swann and Slater King (cousin of Martin Luther King Jr) wanted to create long-term opportunities for economic and residential independence for African Americans in the rural south and a CLT, where land is held by the community in trust, could do just that. They also looked East and took inspiration from the Gramdan movement in India, where land was gifted to villages and held in trust by the village council for the rural poor, as well as the leased-land agricultural cooperatives in Israel, to inform the CLT model.

The first CLT, New Communities Inc., was created in 1969, but it wasn't until the 1990s that the CLT movement really started to flourish in the U.S, thanks to a favourable policy and funding environment and a lot of shared learning amongst the CLTs. The US CLT movement has proven what community-led development can achieve and at scale and has become a significant source of inspiration for communities in England.



1.4 Policy context

The current policy context for Community Land Trusts is one of significant opportunity, albeit within a wider environment of economic constraint.

CLTs have cross-party support and most critically embody the Government's ambition of shifting power from Whitehall to communities. They are recognised as a proven example of local people taking control and transforming the future of their communities.

The Localism Act 2011 introduced new opportunities for communities to shape their local area. This includes the introduction of Neighbourhood Planning, where local people develop a vision for their area, a 'neighbourhood plan'. This provides an opportunity for CLTs to be identified as part of the solution to locally identified needs. For more information see www.mycommunityrights.org.uk/neighborhood-planning

The Act also introduced additional rights for communities, the Community Right to Build, Community Right to Bid and the Community Right to Challenge. These rights provide opportunities to develop new homes or other assets, take over existing assets or take on the delivery of local services as social enterprises. More information on each of these rights and how they can be used by CLTs is set out in Chapter 10.

At the same time, in the face of a severe under-supply of housing and house prices far exceeding what is affordable for local people, the Government is committed to 'reigniting the housing market'. As set out in the Government's housing strategy 'Laying the Foundations: a Housing Strategy for England' (November 2011), there is a shift away from top-down targets and an emphasis on freeing up local areas to provide the homes they want to see. Large scale measures, such as Get Britain Building, the New Homes Bonus and new Garden Cities are joined by an emphasis on community-led housing solutions.

To support the development of community-led housing, the Government has made available a portion of the Affordable Homes Programme for community-led housing schemes. In addition, a £30 million revolving loan fund has been put in place to support group self-build or custom build schemes.

However, despite these opportunities, communities are operating within a challenging economic environment. There is less Government grant available for affordable housing, limited availability of private finance for development and a general tightening in mortgage lending, all of which make the development of new homes or other assets a challenge.

Navigating this landscape is not easy but what communities have at their finger tips is both the capacity and resources of the members of the community themselves and the opportunity and flexibility to explore creative and innovative solutions, as CLTs have proven they can.

