



COMMUNITY  
FINANCE  
SOLUTIONS

# PROOF OF CONCEPT COMMUNITY LAND TRUSTS

A University of Salford publication by  
Dr Bob Paterson and Professor Karl Dayson  
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Community Finance Solutions (CFS) is an award winning research and development group that promotes solutions to financial and social inclusion, and community asset ownership. Located within the University of Salford, CFS offers independent research and advisory services to social landlords, local authorities, national government, charities and other organisations and agencies. For more information contact [G.Thompson@salford.ac.uk](mailto:G.Thompson@salford.ac.uk).

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*Please note: The facts presented and the views expressed are those of the authors and do not necessarily represent the views of the University of Salford, its funders and the organisations featured as case studies.*

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### **Front Cover**

Formal opening of the Bishops Castle & District Community Land Trust 'Kings Head' development 30<sup>th</sup> June 2011.

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## **Foreword**

This report by Community Finance Solutions is a testimony to their pioneering work on Community Land Trusts (CLTs) over the last decade. CFS and, in particular, Dr Bob Paterson, have paved the way for communities across the country to set up CLTs to provide affordable homes.

But the report is also a testimony to the tremendous achievements of the communities themselves. They have, often against huge odds, set up CLTs and built homes and other community assets for the benefit of local people, guaranteed to remain affordable in perpetuity. They have delivered over 200 homes and, whilst this is a small dent in overall housing need, the CLTs have made a significant contribution to the communities they serve and, in many cases, helped the area or village stay alive. These CLTs are also the pioneers, with many communities now following suit and learning the lessons from the early adopters.

This report is very timely, published less than six months before communities can take up the various Community Rights. However, these Community Rights will only be meaningful if they offer a genuine way to address what people care about. That may be a lack of affordable housing, taking over the local pub or reviving local services. This report shows that, even with all the will in the world, communities need the right tools and conditions to be able to make things happen on the ground.

For CLTs, the essential tools and conditions include:

- A strong commitment from the community to drive the project from the start, all the way to the completion of the homes or assets and beyond;
- A ready supply of specialist technical advice and support throughout the process to convert an ambition into homes on the ground;
- A local authority that is prepared to think imaginatively about land or asset disposal or the use of the New Homes Bonus and the Community Infrastructure Levy, valuing the wider social and economic benefits that community-led housing can bring. This is critical if we are to see CLTs take off in cities.

CFS have led the way for communities to set up CLTs and the National CLT Network looks forward to taking on the baton and creating a route for communities that becomes well-trodden. We look forward to many more communities benefitting from not only being part of the vision for their local area but the key part of the solution.

Catherine Harrington  
National CLT Network



## **Introduction**

In 2001, the authors were involved in a project funded by the Countryside Agency examining the nature of rural financial exclusion. Unlike urban areas the interviews within rural villages and small towns kept returning to the same problem: access to land, either through affordable housing or business premises. The report, 'Investing in People and Land', recommended the creation of new type of organisation entitled a Community Asset Reinvestment Trust (CART), which was to be the combination of regional loan fund and a Community Land Trust (CLT). While the loan fund would concentrate on business and personal loans in isolated communities, the CLT element would:

*'...hold and use community assets for the betterment of the community, whether it be village halls, sub-post offices or starter farms. It could develop land for affordable housing that could then be kept in the community under a restrictive covenant...'<sup>1</sup>*

Subsequently to 2001 the authors gradually refined the English and Welsh CLT model as distinct from the CARTs. This enabled land and property to be held directly by communities rather than indirectly through the CART. Ten years on and both the purposes and the principle of holding assets by the community for the benefit of that community remain central to both the remaining CARTs and the wider CLTs. What also remain are the problems of affordable housing and access to business premises. Construction of new homes in England have not kept up with demand and the difficulty of getting a mortgage for potential first time buyers, let alone the chances of affording a home in most parts of the country, have actually deteriorated. Today, CLTs are probably needed more than ever and some communities have decided to take the matter into their own hands and build local homes for local need.

This 'proof of concept' report seeks to examine and quantify the progress made by Community Land Trusts (CLTs) now that there are a significant number of homes on the ground. Through the evidence of the case studies it will also look at the lessons learnt.

For many years, community based organisations have been working to provide solutions to local issues such as transport, training, community centres, open spaces etc but the provision of housing (and particularly affordable housing) has had a relatively low profile. Principally this is because in England (although not, for example, in the US) housing has usually been seen as separate from other aspects of community development and has been the preserve of the housing association movement.

The National Community Land Trust Demonstration and Empowerment programmes have been led by Community Finance Solutions (based at the University of Salford) and have been funded by the former Housing Corporation, Carnegie UK Trust, the Higher Education Funding Council for England and the Department of Communities and Local

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<sup>1</sup> K. Dayson, B. Paterson and P. Conaty, *Investing People and Land* (2001) p33

Government (DCLG). This programme has provided support and advice to CLT projects in England on their formation, business planning and general technical assistance. The work was primarily focused on the provision of affordable housing but in some projects other community asset classes were included.

### **What is a CLT?**

There are a diverse range of models to suit different circumstances. Some CLTs have been started from scratch, some have evolved from existing organisations (such as almshouses and charitable trusts), and others were different organisations which met the legal definition (see below) of a CLT (for instance development trusts). Some have preferred to use the term Community Property Trust whereas others make no reference at all to CLT!

However there are some generalisations we can make:

- A CLT is a charity or a not for private profit distributing company that owns land and property for the benefit of a community and people living or working there.
- The purpose of a CLT is to create community asset ownership in the form of affordable homes, workspace, food growing and conservation etc for the benefit of present and future generations. This ownership of community assets is a resource for people to steward, rather than for speculation on the market.
- CLTs provide a model for community asset ownership as an alternative to statutory and private terms of ownership.

CLTs are however a legally defined form as regulated in the Housing and Regeneration Act 2008, Part 2, Chapter 1, Clause 79:

*A Community Land Trust is a corporate body which:*

*1) Is 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 provide benefit to the local community*
- *To ensure that the assets are not sold or developed except in a manner which the trust's members think benefits the local community*

*2) Is established under arrangements which are expressly designed to ensure that:*

- *Any profits from its activities will be used to benefit the local community (otherwise than by being paid directly to members)*
- *Individuals who live or work in the specified area have the opportunity to become members of the trust (whether or not others can also become members)*
- *The members of a trust control it*

### **How a CLT works?**

Every CLT develops in a unique way, depending on local needs, the people involved and the context.

CLTs originated in practical land reform by the Co-operative movement and the Chartists. John Ruskin and Octavia Hill used community land trusts to found housing

associations and the National Trust in the late nineteenth century. Building on existing work in the USA, CLTs were used in Britain in the 1990s by Scottish crofters for community buy outs of land from absentee landlords such as the Isle of Eigg and Isle of Ghiga Trusts. At the same time English villages such as Stonesfield in Oxfordshire and High Bickington in Devon were seeking CLT type solutions to ensure village viability and affordable homes in the face of market failure. This has propelled the activity in England as evidenced in the case studies which demonstrate how people can bring land and property into community ownership so as to:

- Provide affordable homes and keep them affordable for people living or working locally.
- Secure land for workspace, food growing and conservation.
- Control local land use for community benefit.
- Encourage private resident involvement.
- Return the value of public investment.
- Enable people to take action to create social cohesion and a sustainable diverse community.
- Offer a secure way for people to invest in community asset ownership for local benefit.

### **How are CLTs run?**

CLTs take a variety of forms; they may build on existing constituted organisations or are new organisations committed to the stewardship and affordability of land, housing and other buildings used for community purpose. Typically newly formed CLTs are constituted, in no particular order, as a company limited by guarantee, an Industrial and Provident Society (IPS) or as a community interest company. In addition to deciding upon the legal structure, promoters of CLTs need to agree whether to register as a charity, to incorporate a 'trading' subsidiary or to set up a cooperative for the subsequent management of assets etc. Other considerations include registration with regulatory authorities, depending whether or not the CLT intends to have immediate access to public funding from the Homes and Communities Agency (HCA). Whatever legal structure is decided upon, a CLT is controlled by its members who in turn elect the trust's board of directors. Typically, CLTs draw their members/directors from three sources:

- Directors representing residents from within the local community of benefit and potential service uses e.g. leaseholders who pay ground rent.
- Non local community representatives with professional skills related to land management and stewardship e.g. surveyors and accountants.
- Directors representing the broader community and public interest. These may or not be members, could instead be co-opted, and can include representatives from local landowners or the local authority, who have endowed the CLT with land, as well as community interest groups locally, concerned about access to affordable housing and other relevant interests within the community.

The board of directors' role is to steward intergenerational access for the community assets created both now and in the future, as well as protecting the interests of the

community as a whole. A key requirement of the board of directors with regard to the provision of affordable homes is to ensure that the homes remain affordable, or if the restrictions are lifted, for the equity in the asset to be recycled for alternative local housing provision.

A key responsibility for the board of directors is to ensure that the CLT can raise capital funding and become a viable social enterprise. The directors will need to secure funding to undertake feasibility studies, prepare development and business plans, secure planning permission, raise development finance, and perhaps long term mortgage loans to fund rental homes. This will require access to a cocktail of funding including bank finance on commercial terms through to grant aid to carry out feasibility studies. A crucial ingredient has been the creation of the Community Land Trust Fund ([www.cltfund.org.uk](http://www.cltfund.org.uk)) which aims to remove barriers to the development of CLT projects by financially supporting CLTs from their inception through to occupancy of the affordable homes.

### **Why is a CLT needed now to support the provision of affordable homes?**

There is an affordable housing crisis, particularly in rural areas and for young people, many of whom cannot afford to rent or buy near where they work or have family links.

Interest in CLTs has been growing over the last few years and recent research reports have investigated the role that CLTs could play in the delivery of affordable homes.<sup>2</sup> The number of new housing completions nationally has fallen to an all time low as both public subsidy and cross subsidy from the private sector have fallen. This has taken place in the midst of an economic crisis that has also caused a lack of available mortgage credit for first time buyers.

CLTs are an innovative approach that can supplement and compliment established social housing providers, and private sector developers in addressing the issue of providing affordable homes in England.

Local communities, particularly in rural areas as evidenced by the case studies, are keen to embrace the idea of doing it themselves as the way to provide additional homes and/or create a more diverse tenure pattern to suit local housing needs. Interest in CLTs and co-operatives, both within the policy community and in government, has been reignited as a way for communities to acquire and hold land and property in trust. This is in essence a reaffirmation of the roots of this approach found in the co-operative, almshouse and garden city movements of the late nineteenth century.

CLTs are promoted for a number of reasons; for some the justification is ideological as it is seen as way to genuine community empowerment - local solutions for local problems; for others it is a practical response to the lack of public grant or cross subsidy funding; whereas for others, they do not want to be told what to do or who to house by a local council, housing association or private developer. Whatever the reason, each CLT develops in a unique way due to local needs, the people involved and the context of the community being provided for.

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<sup>2</sup> *More Homes and Better Places: Solutions to address the scale of housing*, BSHF (2011); *Living Working countryside: The Taylor Review of Rural Economy and Affordable Housing* (2008) & *Affordable Rural Housing Commission* (2006), Final Report

### **Benefits of a CLT in the provision of affordable housing**

CLTs work by enabling occupiers to pay for the use of buildings and services at prices they can afford whilst the value of the land, housing subsidies, planning gain and any equity benefits are locked in to the benefit of the local community being provided for. A CLT can ensure:

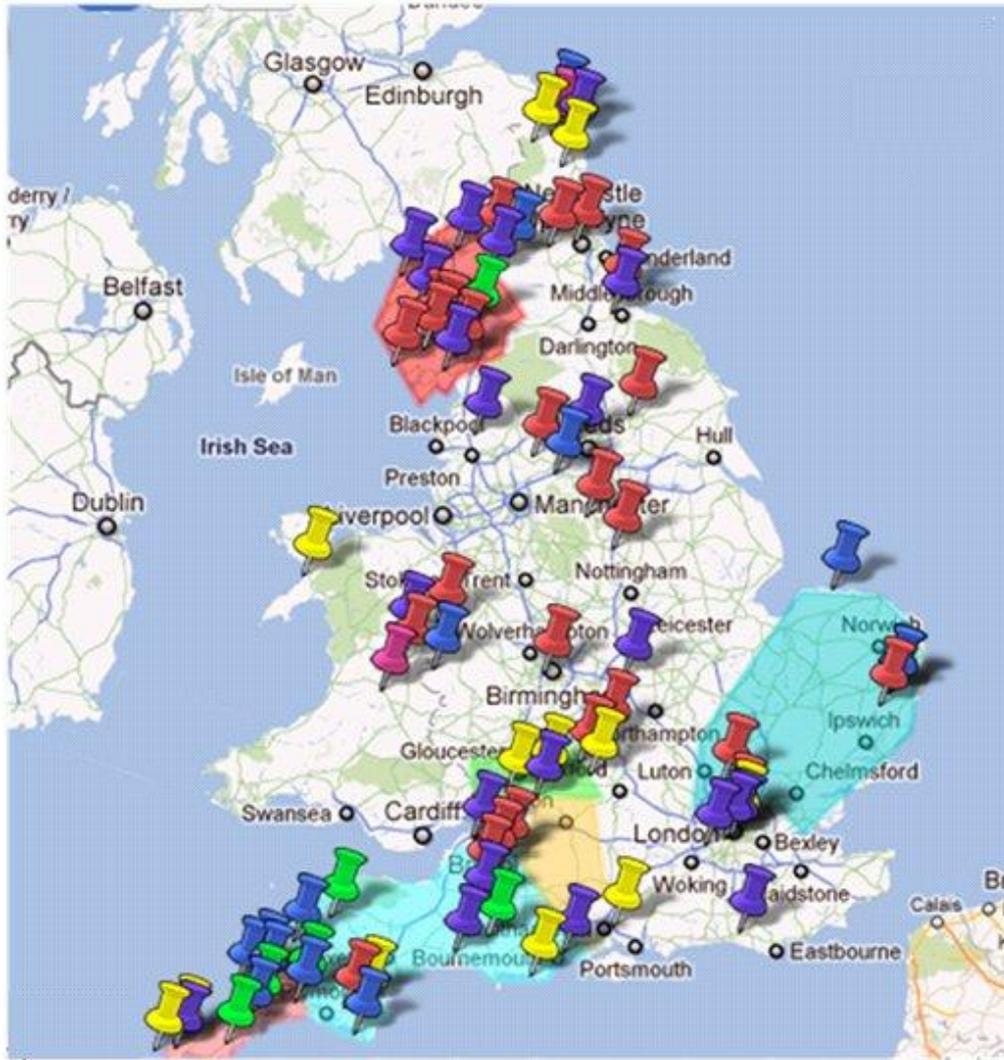
- Access to housing for those on low and moderate incomes.
- Owner occupancy that is affordable though recognised part purchase models.
- Long term sustainability and viability through housing to rent.
- A local scale vehicle for charitable giving and financial investing.
- Local community control and participation.
- Flexibility to respond to both local opportunities and national initiatives e.g. the Big Society.

CLTs can, as demonstrated in the case studies, be small and local, serve city neighbourhoods, villages, towns and both rural and urban communities. They work in partnership with a variety of organisations; for example, a CLT can work with an existing housing association to benefit from their development and management expertise, as well as charities, local authorities and local enterprises needing workspace. They can also partner with landowners and developers who are prepared to forgo a proportion of developer's profit as an investment into community benefit.

### **Who has done it already?**

There has been consistent growth in CLTs over the last few years and there are now over 80 organisations in England and Wales that define themselves as a CLT, ranging from fledgling organisations that are just starting out to established CLTs.

The National CLT Network was formed in 2010 as the National body for CLTs that promotes and supports the work of CLTs and its members. The map below, taken from the CLT Network website ([www.communitylandtrusts.org.uk](http://www.communitylandtrusts.org.uk)), gives a clear indication of a growing movement of community organisations in England and Wales committed to the CLT concept.



It is work in progress and the icons signify the following:

-  : Completed
-  : On site
-  : Significant progress working up scheme. Planning permission pending or granted.
-  : Formally constituted as a CLT and working up scheme
-  : Ambition for CLT but not yet formally constituted
-  : Stage unknown
-  : The shaded areas represent umbrella CLTs

At the time of writing (October 2011), 137 homes have been completed and a further 92 homes are on site. These are set out in the table on the following page. Of the total of 229 homes provided by 18 CLTs, 35% (81 homes) are for rent, 59% (135 homes) are for part sale and 6% (13 homes) are for outright sale. Self build homes or plots account for 34 homes or 15% of the total. Also of significance is the fact that just under half (105

homes) are being provided in Cornwall. This demonstrates the impact of the Cornwall CLT acting as an umbrella support body that can provide technical advice and support to local CLTs as well as developing homes in its own right. Cornwall CLT is co-located with Cornwall Rural Housing Association who on adjoining sites have completed a further 24 homes for social rent.

**CLT homes provided or under construction in England 31<sup>st</sup> October 2011**

<b>Homes Provided</b>	<b>Total Homes</b>	<b>Rental Homes</b>	<b>Part Sale Homes</b>	<b>Open Market Homes/Plots</b>	<b>Comment</b>
Allendale Community Housing, Northumberland	3	3			
Bishops Castle CLT, Shropshire	2	2			
Buckland Newton CPT, Dorset	10	5	5		
Cornwall CLT, <i>Blisland (6), Blunts (8), Bryher Close Kelly Bray (15) &amp; St Teath (10)</i>	39		39		
Foundation East, Suffolk	2	2			+1 retail & 8 business units
Holsworthy Community Property Trust, Devon	11	1	10		
Homes for Wells, Norfolk	15	15			
Lindisfarne Community Development Trust	11	11			Built over 3 phases
Stonesfield CLT, Oxfordshire	14	14			The first CLT in England
St Ewe Affordable Homes, Cornwall	4		4		
St Minver CLT, Cornwall	20		20		Self build first phase 12 homes, second phase 8 homes
Waterhouse Housing East Portlemouth , Devon	6	6			
	<b>137</b>	<b>59</b>	<b>78</b>		
<b>Homes under construction</b>					
Cornwall CLT, <i>Lizard Village (3), Nancledra (2), Bryher Close Kelly Bray (4)</i>	9		9		
Camelot Country CIC, Cornwall	14		14		
High Bickington Community Property Trust, Devon	21	7	9	5	Open market are outright sale homes
Holsworthy CPT (Bridgerule) Devon	4		4		
Luxulyan CLT, Cornwall	13		13		
Lyvennet Community Trust, Cumbria	20	10	2	8	Open market are self build plots
St Just in Roseland CLT, Cornwall	6		6		Self build with a further 2 homes with planning permission
Worth Matravers CLT, Dorset	5	5			
	<b>92</b>	<b>22</b>	<b>57</b>	<b>13</b>	
<b>Total Homes</b>	<b><u>229</u></b>	<b><u>81</u></b>	<b><u>135</u></b>	<b><u>13</u></b>	
<i>BP/CH October 2011</i>	<b>100%</b>	<b>36%</b>	<b>58%</b>	<b>6%</b>	

## **Harnessing the Learning from the ‘early adopters’**

The second part of this report is a series of case studies detailing the nature of the individual initiatives and the challenges faced by the communities. In this section we identify generic lessons from these divergent CLTs.

### **Investing in People**

Perhaps the most telling observation is that investment in people is more important than investing in the land. Although there are examples of the land being gifted to a community that results in a CLT being developed, in most cases the community came together to realise there was a problem that needed addressing and subsequently identified and purchased a site. We would recommend that potential CLTs concentrate on establishing a viable group with a clear set of values and objectives. Then even if it proves difficult to secure the land, as in East London, or there are problems with planning, such as in High Bickington, there is group of people working together to maintain momentum, provide mutual support and search for a solution.

The second element of investing in people is the social capital of the CLT members. As outlined by Putnam, social capital is the connections and networks in which we are embedded.<sup>3</sup> The more extensive these are, the more likely an individual will have a job etc. In nearly all the cases the CLTs have been led by middle class professionals and we do not believe this is a coincidence. By definition, professionals will be connected both with other professionals in their field and those in other fields. This wide but shallow network is particularly useful in complex transactions involving many different professions, such as the purchase and development of land. Therefore a successful CLT needs to either have a membership that has these skills or be able to access them. This poses particular challenges for CLTs in deprived communities which need to spend more time developing the networks required and/or draw on external enabling support. Consequently, we would expect CLT development to be more efficient and swifter in communities with a greater mix of social capital. However, the advent of umbrella CLTs (Cornwall Community Land Trust) alongside CARTs (Foundation East) means this can be partly offset. For many communities this may be their best means to fast track their development. Equally, some CLTs (such as Worth Matravers) worked with a local housing association who provided the technical support.

### **Land**

Having noted the priority of people, land is still essential. By definition without land there cannot be a CLT, just a community group with an interest in land. But the common thread is that none of the land used in the case studies was purchased at open market rates. It was granted, or offered at an agreed rate (purchased at agriculture land prices that is later used to build housing) or cross subsidised. The land came from both the private and public sector but it was still not at an open market rate. Examining the business models within the case studies, we are unsure whether CLTs can prosper if they have to pay full market rates. Unfortunately, they do not have land banks that can be drawn on for new developments, whereby land is purchased when prices are low and

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<sup>3</sup> Putnam, R, ‘Bowling Alone: America’s Declining Social Capital’, *Journal of Democracy* 6 (1) (1995) 65-78

then held until housing booms. Neither do they have access to land parcels that were transferred when various public institutions were privatised, such as that held by Network Rail. This means CLTs have to spend time identifying potential sites and persuading the land owner to sell at a sub-market rate. On many occasions CLTs get no further than this partly because the landowner is not willing to sell and, partly that the CLT becomes focussed on a particular site and cannot move on if the landowner says no. Successful CLTs are entrepreneurial in that they are opportunistic and develop sites that are available, even if that does not match their ideal requirements. They recognise that one successful project builds local credibility and may lead to other landowners coming forward with offers.

### Funding

The case studies showed no pattern to the funding sources except that they all relied on a cocktail of monetary supply. Funding can be broken into four distinct categories:

- Initial seed corn money to help get the CLT started as a community led group and a subsequent legal entity.
- Development finance towards the land purchase and construction costs etc.
- Long term mortgage loans if rental homes, and access by vendees for retail mortgages to finance part purchase.
- Bridging and revenue financing to help the CLT itself pay its initial bills at handover and a revenue reserve in the form of a dowry.

It would appear that most of the initial funding has come from charitable foundations and local sources such as local authorities. The bulk of the capital grant funding has also come from a variety of sources, but more likely to involve regional, national and European bodies. For example, Bishops Castle Community Land Trust (BCCLT) received £50,000 from the Homes and Communities Agency (HCA) as well as funding from Shropshire council, while Foundation East is supported by the European Union and the East of England Development Agency. By contrast, development finance and long term loans have often come from commercial providers such as Ecology Building Society, Triodos Bank or Charity Bank. There was little evidence of interest in funding CLT development from the large high street banks. In addition, some of the CLTs were being established as Industrial and Provident Societies (IPS) and were in the process of raising community investment through issuing share capital. If CLTs are to prosper in the future it is probable of this cocktail of funding will remain, though hopefully with the commercial financial sector making the majority of the development and mortgage lending.

### Legal Structures

There was much stronger commonality in the nature of the legal structures than the funding models. All the CLTs were either companies limited by guarantee or Industrial and Provident Societies, nearly all of which were registered as charities. A number of the IPSs have issued share capital at a level low enough to encourage community membership. Bishops Castle had 204 members who had purchased at least one £5 share, while High Bickington had 224 members holding at least a £1 shareholding. Equally

impressively, Holy Island had 80 members, nearly half the island's population. Although the total sums raised are modest, by issuing capital the CLT is demonstrating its support and embeddedness within the community. This helps when negotiating with potential funders and making planning applications. It is also in contrast to the relationship with the HCA whose expectations are such that some CLTs expressed concern at the level of bureaucracy, to the extent where some sought a housing association partner to manage the housing stock. From the pilots there is still disjuncture between the notion of an independent self contained CLT and the nature and exercise of government regulation. However, there was praise from Lyvennet Community Trust for the Big Society Bureaucracy Busters within the HCA and the DCLG. There was also widespread recognition of the importance of the financial support accessible from the HCA.

### Local Support and Key Partners

Almost all the CLTs reported very positive connections with their local authorities, both at district, county and unitary level. For Saint Minver CLT, the then local authority, North Cornwall district council, were crucial due to the provision of start up grant and a subsequent interest free loan to underpin the development. Additionally, in some CLTs, councillors were co-opted onto the CLT board, such as Shropshire county council's membership of Bishops Castle. What this demonstrates was not just the importance of political support but also its nature. In all cases where the project has passed planning, local political engagement has been a key factor in helping give the initiative credibility and providing informal assistance through the planning process. We suspect that CLT proposals lacking local political support will struggle to get schemes off the ground. This was apparent during the planning process, as when a number of CLTs found the relationship with the HCA challenging, they drew heavily on local political support. However, it is acknowledged that work between the National CLT Network and the HCA is ongoing to address this and prevent such difficulties in the future. Worth CPT stressed the role of the local planning authority and the parish council, Holy Island Development Trust emphasised the support from the whole island and Saint Minver CLT found local endorsement essential as they found it a tough slog due to some opposition. Most notoriously High Bickington CPT faced the most significant planning obstacles and these were predominantly due to regional and national governmental agencies, which contrasted to the assistance from district and county councils.

The other key partners were housing associations and CLT umbrella organisations. In some cases housing associations provided advice, but more generally due to the HCA guidelines, mentioned above, they became the manager of the housing stock. Most reported good relationships with housing associations though they stressed the importance of selecting the right HA partner. A number of the pilots were in locations covered by CLT umbrella organisations and these were seen as a useful source of information, assistance and support. As the CLT movement moves beyond the pioneers the importance of these umbrella organisations should grow. The relationship between the umbrella organisations and housing associations also influenced the structure of the CLT. Where the CLT was the dominant partner with a strong board capable of undertaking most tasks the housing association/CLT umbrella provided technical

support. If the CLT was concentrated on local strategic priorities it would often have a service level agreement with a housing association for the day to day management (Holy Island), or lease the land to them as in the case at Worth CPT. Similar partnerships can also be established with the umbrella bodies. Indeed, Foundation East offers a service where they hold the land within their institution on behalf of the community. This could be useful for new initiatives where the land is available before the community group is fully formed. It could also be beneficial in locations where there is a lack of local capacity.

In most cases the rental housing allocation policies arose out of local planning conditions as part of the S106 approvals, or were developed in partnership with the local authority. In some cases, such as Holy Island, this was managed by the housing association partner as a condition of the HCA support. By contrast Holsworthy CPT agreed theirs with Torridge district council and the priorities were local connection through employment, residence and family. Many of the other CLTs had similar clauses though Buckland Newton CPT included a clause on education alongside employment. In nearly all cases the CLT decided its geographic coverage and this was incorporated within the allocation policy. In terms of for sale stock most sold part of the homes at percentage of open market value, including a pre-emption clause to re-buy when the homeowner comes to sale; while some allowed shared equity stair-casing (High Bickington & Holsworthy CPTs).

### Impact and Legacy

All the CLTs reported that their project had made a considerable difference to their community, in terms of self belief and engagement. Bishops Castle commented that it gave the community a sense of ownership and resulted in new social activities. High Bickington and Lyvennet both believed that their villages were now in a better position to face the challenges of the future. They were also conscious that they had influenced the Government's agenda around localism and the Big Society, a view shared by Saint Minver. More mundanely, but just as importantly, Holy Island reported rising school rolls due to the construction of new affordable homes, an issue that matters in rural England and Wales. Many realised that they were setting the template for future CLTs, such as Worth CPTs partnership with a housing association. Equally significantly, Lyvennet Community Trust seem to be providing the evidence that CLTs can lead to other community asset schemes when they purchased the village pub, having established a separate Industrial & Provident Society to do this. Not only did they raise £300,000 in shareholder capital, the pub was refitted involving 4,000 hours of volunteer time. An earlier document about CLTs was entitled 'We will do it ourselves', perhaps now this is becoming a reality in villages as far afield as Cornwall and Cumbria.

But where next for the pilot CLTs? Most expressed an interest in further development. For example, Holsworthy want to develop 50 units across their area of operation (they currently have 15) and Cornwall Community Land Trust and its local CLTs that it provides services to have 12 projects that will result in 105 homes. Others want to serve as exemplar projects (Buckland Newton CPT) and some are still in progress with their existing work (High Bickington CPT and Cashes Green CLT) and see their role as long term partner of community groups, and local and public authorities.

Most of the innovation is around building a new form of entity which engages the community. By contrast due to the necessary financial controls there has been less use of new building materials. Partly, this is a function of the planning process and the costs associated to develop rural exception sites. However, there were examples of self build projects and as new CLTs are established a sector housing style may begin to emerge.

In most cases the existing schemes are at the fringes of the nation, whether Cornwall or northern England, or small villages where housing affordability is pressing issue. There may be something in this isolation that inculcates a culture of self help and determination, and this is something we will look at in the future. For the present the one over-riding commonality of all the pilots was their leader's perseverance and on occasions, sheer blooded mindedness. They have had to work against a prevailing culture where Whitehall knows best and big is beautiful; where they have been patronised, ignored and frustrated. Yet they have stuck at it. Hopefully with a national commitment to greater localism the many, many hours of work put in by the volunteers within the pilots will finally be rewarded with an armada of new CLTs across the country.

### **Conclusions – 'Proof of Concept'**

Overall, the pilot CLTs have demonstrated that communities can work together to create viable organisations that build affordable housing, especially in rural England. At the time of writing (October 2011) 137 homes have been completed and 92 are on site with further projects in the pipeline.

The emergence of community ownership in general and CLTs in particular has to be seen in the context of a long history of communities acquiring and managing assets. There is a rich diversity of organisations including almshouse trusts, co-operatives and the garden city movement. No single solution today is likely to be appropriate in all circumstances but CLTs can provide a practical mechanism for communities to acquire and manage affordable homes and other community held assets for local benefit.

The actions of the pioneering CLTs have demonstrated that:

- Community involvement through buy in from local people is crucial and networks of volunteers are a crucial indicator of the speed of growth.
- Volunteers led by an effective chair/core group can influence and engage with local politics and act as an effective client in managing design and construction professionals.
- Help from the local authority, not necessarily housing subsidy, but in a facilitating role is important to ensure overall success.
- It takes time to organise and acquire the necessary skills but access to appropriate advice and technical support will accelerate this.
- Although funding is scarce, communities have tapped a cocktail of sources for which charitable trusts and foundations have been crucial. This is unlikely to be replicated, thus other sources e.g. community investment will need to be sought with vigour.

- The founders, whilst grappling with forming an institution are aware of and ready for a long term management commitment.

### **Continuing the journey - implications for future programmes and initiatives**

As the CLT movement grows beyond the pioneers and becomes one of the planks of the government's localism agenda, new forms of partnership, facilitation, financial investment and shared learning are required. Some of the key actions required include:

#### *For CLTs and Community Support Organisations*

- To understand how the new funding and policy environment and the host of new rights in the Localism Bill will impact upon emerging organisations in their quest to provide local homes for local people.
- To initially concentrate on establishing a viable and networked local group with a clear set of values and objectives.
- To be skilled to develop and manage projects as an effective client.
- To recognise that technical advice and support may be required and the importance of selecting the right partner(s).
- Collectively to develop industry wide initiatives through the CLT Network whereby CLTs can have access to:
  - Appropriate pre development funding, development finance and long term loans and mortgages for their shared equity purchasers.
  - Appropriate constitutional models and governance arrangements.
  - A 'community of practice' from which shared learning and training activities can be drawn. Professional enablers will also need to be trained in both their professional work and in their attitudes to community empowerment.
  - Technical documentation as an industry standard.

#### *For Government*

Whilst central government is energising community led development, state support that could enable such development is under pressure. That said, if a localist approach is to be successful some of the required actions by government include:

- To value public benefit and social impact when disposing of public land and property assets.
- To provide timely and proportionate public investment to emerging CLTs and their support organisations.
- To create fiscal measures, e.g. tax breaks and investment tax relief support to encourage private investment finance into the affordable housing sector.
- To encourage mainstream finance and mortgage providers to support the sector with commercial products.
- To continue to promote the concept that local people are able to manage and control community owned assets as a step towards creating resilient communities.

## **Case Studies**

The twelve case studies that follow were compiled over summer 2011 in conjunction with the CLTs involved. They will be available on the CLT website ([www.communitylandtrusts.org.uk](http://www.communitylandtrusts.org.uk)), together with the documentation of good practice as set out in the individual case studies.

## **Saint Minver Community Land Trust**

### **Summary**

Rock, in the parish of St Minver Lowlands in North Cornwall is reputedly one of the most expensive places in the world to purchase a home due to high levels of second home ownership and holiday lets. A local group formed a CLT to facilitate the provision of affordable self build homes and in their first scheme completed 12 homes for local people at under a third of open market value. A further phase of homes is underway which will result in the CLT providing a total of 20 homes on a rural exceptions site.



Saint Minver  
under construction  
(©BBC)

### **Key Features**

#### **Origins**

High levels of housing need were not being met by the existing delivery mechanisms and a group of concerned local people, including members of the parish council, wanted to take direct action to provide truly affordable homes for local families in employment which would supplement the work of housing associations and the local authority. They were inspired by a local builder and were able to acquire land from a local farmer on the edge of the existing development boundary. This generated enormous support within the community for a self build initiative.

#### **Community Assets Developed**

The CLT completed its first project of 12 self build homes in December 2008 and has embarked on a further phase on adjoining land. The site is in an Area of Outstanding Natural Beauty and is a rural exceptions site. Following community consultation it was decided to design an initial scheme of 12 detached bungalows using highly insulated timber frame construction procured from a local manufacturer. The achieved aim was for final costs, including land and fees, to be less than the local affordable sales price ceilings of £100,000 for a three bed home and £85,000 for a two bed home. These figures were based upon the then North Cornwall district council's (NCDC) Supplementary Planning Guidance on providing affordable homes on exception sites, and had to be tested with local applicants to ensure that they could obtain mortgages. The second phase of 8 self build homes is currently on site and a third phase is a possibility. The second phase is jointly being developed with Cornwall Rural Housing Association (CRHA) who are concurrently providing homes for rent on the site.

### **Allocation Policy**

A local allocation policy was agreed with NCDC and the 12 self build applicants were selected from local people in need. The CLT has signed a Section 106 Agreement which controls future occupancy and affordability criteria, and these obligations also have to be adhered to by all successive owners. The completed homes cost the self builders £78,000 for a two bedroom bungalow and £84,000 for a three bedroom bungalow.

### **Funding Sources**

The CLT formation group had the benefit of a £5,000 set up grant from NCDC and were advised by the then newly formed umbrella body, Cornwall Community Land Trust (CCLT). Detailed cost estimates were produced for the project appraisal and when agreed, a planning application was made, funded by the landowner. Once planning permission was granted, NCDC agreed to advance an interest free loan of £544,000 to pay for the road bond at £94,000, the land, fees and to generally facilitate the development, including the appointment of a project site manager. The self builders had individually secured mortgages enabling them to purchase a serviced self build plot from the CLT, repay NCDC's loan and continue with the project. Key stages of the project were certified by the project architect to enable the mortgage loans to be drawn down from the self builders' lender.

### **Legal structure**

The St Minver CLT was incorporated as a charitable company limited by guarantee in December 2006. The CLT sold the serviced plots to the self builders freehold with a resale covenant which ensures that the disposal requirements cannot be breached, plus the added assurance of a pre-emption agreement which gives the CLT a 'first refusal' to reacquire or nominate a purchaser for a bungalow when it is sold. The resale covenant fixes all resales as a percentage of open market value (OMV) and at St Minver, following independent valuation of the first phase, this percentage was fixed at 31.3%.

### **Impact**

Many CLTs wish to support members of their community who want to self build and/or self finance their own homes. The scheme, at Dingles Way, St Minver, has transformed the lives of local families who without it would not have been securely housed in their local community. The success of the project also gave confidence to the concept of CCLT acting as an 'umbrella' CLT and its ability to work closely with its local CLT partners and their projects in Cornwall (See case study 4). Furthermore, the successful completion of the project in 2008 gave inspiration to the then opposition shadow housing minister Grant Shapps MP in his quest to promote community led housing solutions.

### **Stakeholders – who is involved?**

St Minver CLT recognised the importance of working with local stakeholder groups, and has become a shareholding member of CCLT. CRHA and NCDC were also key partners.

### **The model/mechanism & lessons learned**

The combination of self build with the resale price covenant is a powerful model for communities to adopt, particularly in places where there are excessively high house

prices. Typically in such locations there will be local people with building skills who are unable to purchase a home. This together with the formation of a CLT to hold the land in trust, along with the resale price covenant mechanism provides an excellent example for other communities to replicate.

**Future aims of the Trustees**

**‘If you were to do it again what would you do differently?’**

Helen Richards:

*“The St. Minver project was powered by NCDC’s interest free loan, and the trust has come to believe that the principal enabler would be a system of revolving funds. Availability of such funds would facilitate works to the point of mortgage drawdowns. If central and local government could initiate such provision, the same money would see multiple developments flourish.”*



Completed homes at St Minver  
(©CLT Network)

<b><u>Features</u></b>	
Urban	
Rural	Yes
HCA Support	
LA Support	Yes
HA Partnering	Yes
Umbrella CLT Supported	Yes
Self build	Yes
Non housing assets	
Cross subsidy	
Documentation good practice	Yes – Resale Price Covenant documentation

## **Holy Island Development Trust**

### **Summary**

The Holy Island of Lindisfarne Community Development Trust (HILCDT) was formed fourteen years ago to build affordable homes for island residents being priced out of a rising housing market on the island. The trust originally obtained charitable donations to fund the construction of 7 two bedroom houses and flats for rent with all but one of the tenants working on the island. The trust then found the original families needed larger homes and the decision was made to build more homes and a scheme of 4 three bedroom homes was started in May 2009 in a unique partnership with 4 Housing Group. HILCDT was the first CLT scheme to receive an investment from the Homes and Communities Agencies National Affordable Housing Programme.



Completed homes on Holy Island

### **Key Features**

#### **Origins**

Like many rural areas, The Holy Island of Lindisfarne off the coast of Northumberland, has and still is being beset by affordability issues due to tourism and being a popular area for second homes. Local residents', particularly young people, often find themselves priced out of the housing market and the local school was threatened with closure until the trust formed a charitable organisation with the aim of building homes. In the first ten years they won funding support from a national charitable trust, and armed with a bank loan payable through the rent stream, completed 2 affordable rental schemes providing 5 houses and 2 flats. The volunteer trustees also managed the homes over this period.

#### **Community Assets Developed**

Their third scheme consisted of 4 three bedroom, semi-detached houses on land purchased in 2006 when HILCDT bought part of a back garden of a large island home. For years the trustees struggled unsuccessfully to find the same level of charitable grants that had been attracted for the first two schemes. The trust was introduced to 4 Housing Group (4HG), who helped broker the potential development with the support of advisors from the Federation of Northumberland Development Trusts and Hands-on-Help for Communities. The trust was successful, in cooperation with 4HG, in being awarded a grant from the Homes & Communities Agency (HCA) for the sum of £212,000, roughly a third of their development cost. Construction work began mid 2009 and 4

families who would otherwise have had to leave the island took up residence in January 2010.

### **Allocation Policy**

As part of the arrangements for securing a grant from the HCA, the trust entered into a development agreement with 4HG. After they supported the construction phase, the trust and 4HG entered into a user friendly Service Level Agreement whereby 4HG manage the maintenance of all the trust's homes and the trust remains landlord. All of the three bed homes were tenanted by local people; including a couple who had run one of the island's pubs but had outgrown their existing trust home with their daughter. In all, about 20% of the permanent islanders and 50% of schoolchildren now live in homes provided by the trust.

### **Funding Sources**

The new three bedroom homes scheme costs were £650,000 and additionally funding was provided by the Tudor Trust and a loan from Triodos Bank. Until this scheme, the process for securing a grant from the HCA was untested. All parties were committed to overcoming the legal and technical challenges. Over an 18 month period documentation was adapted which supported the process and also set a precedent for other CLTs in England.

### **Legal structure**

The community trust on the island was formed in 1996 as an unincorporated organisation. As part of the process to secure HCA grant, the trust became an incorporated charitable company. When it advertised for people to join the company, 80 people responded, over half the island's population.

### **Impact**

The impact of HIDT has been felt across island society. School numbers rose and many local people were able to remain as island residents. Ownership remains with the trust and rents are not linked to land values. Additionally, the homes cannot be sold under right to acquire rules, so affordable homes will continue to be available for the benefit of future generations on the island. The 4 three bedroom homes are now a reality thanks in part to the HCA. In September 2010 the trust & 4HG won the HCA rural housing award.

### **Stakeholders – who is involved?**

The trust had community buy in and was never unsure of community support. No objections were raised to the planning application. This together with the support from 4HG, Tudor Trust, Triodos Bank and the north east office of the HCA ensured that this venture was successfully implemented.

### **The model/mechanism & lessons learned**

The scheme of 4 three bedroom rental homes on an island totally designated as a rural exception site is not unusual, but the partnership of a CLT with 4HG and accessing HCA grant was ground breaking. The trust faced difficulties in interpreting and

applying the HCA grant agreement but with the support of their technical advisor was able to overcome numerous bureaucratic hurdles. A useful guide for CLTs on how to work with the HCA has been produced as a result of the Holy Island case. Other CLTs have now followed similar routes but none have been the same. Together these projects have demonstrated the ability of community groups to secure and deal with money in support of delivering locally driven solutions.

**Future aims of the Trustees/4HG**

**‘If you were to do it again what would you do differently?’**

*“We would talk to the HCA first so that the house design meets their standards from the start. In our case, the trust already had planning consent before we even considered HCA funding. We would also make the roles and responsibilities of the trust and the housing association clearer from the start and particularly during the construction phase. We both made it work, but we were breaking new ground.”*



A local family in their new home (©HCA)

<b><u>Features</u></b>	
Urban	
Rural	<i>Yes</i>
HCA Support	<i>Yes</i>
LA Support	<i>Yes</i>
HA Partnering	<i>Yes</i>
Umbrella CLT Supported	
Self build	
Non housing assets	<i>Yes</i>
Cross subsidy	
Documentation good practice	<i>Yes – Service Level Agreement with 4HG</i>

## **Holsworthy Community Property Trust**

### **Summary**

Holsworthy Community Property Trust (HCPT) has been established as a charity to provide affordable housing in the rural community of Holsworthy, North Devon. The trust aims to provide 50 homes for local people who are unable to purchase a property on the open market.



Completed homes  
at Sheepwash  
(©HCPT)

### **Key Features**

#### **Origins**

Holsworthy is a small market town in rural Torridge in North Devon. Like the rest of south west England, the average price of homes is well above the national average, whilst at the same time household income is comparatively low. A community consultation reinforced the need for affordable homes and the findings were published in 2004 in the Holsworthy Market & Coastal Towns Initiative Community Strategic Plan.

#### **Community Assets Developed**

In 2007 the trust acquired five flats above the 'Original Factory Shop' in the town centre. These were offered to local people at an affordable price. They cost between £85,000 and £115,000 but were disposed of at 70% of market value at prices between £59,500 and £80,500. A further 4 homes were provided in the town to local households, supported by a commuted sum, held by Torridge district council (TDC).

The trust has recently completed a development of 2 homes in the village of Sheepwash, pictured above. The houses (one for rent and one for shared equity) have been allocated to local people. A further 4 homes for shared equity disposal are currently under construction in the village of Bridgerule. The trust is committed to providing a total of 50 homes in Holsworthy and the surrounding villages. At the time of writing the trust is pursuing a number of other small village developments.

#### **Allocation Policy**

HCPT operates a housing allocation policy that has been agreed with TDC. There are 3 essential criteria that must be met by all applicants:

- They must be unable to afford a home on the open market
- Have a household need that is suitable for the home
- Must be able to demonstrate that they can afford to acquire an equity interest in a shared equity home

If a rental home, the applicant must be able to afford the outgoings that the scheme requires. To decide priority between applicants, a further 5 five criteria are used where necessary. These criteria ensure that HCPT homes will continue to benefit local people and include: local connection, local employment, local residence and family connections, moving from one HCPT or housing association property to another HCPT property within the Torridge area, and length of wait.

### **Funding Sources**

The trust was fortunate to be granted financial support from Devon county council/TDC from the Second Homes Council Tax budget. This paid for the establishment of the trust and also the initial development costs in acquiring the first 5 flats. This original £30,000 grant has been 'revolved' and has been used to support subsequent schemes and future development opportunities. To purchase and develop its properties, the trust has secured development finance loans from Charity Bank and the CLT Fund. These loans are repaid upon the sale of the homes or when a loan term mortgage is raised for rental homes.

### **Legal structure**

HCPT was formed by local people as a company limited by guarantee and a charity in 2005 as a viable solution to the local affordable housing problem. HCPT aims to give priority to young people so that they can remain in the area by giving them access to affordable homes.

### **Impact**

It is difficult to assess the impact of HCPT given that only 15 homes have been procured out of a target of 50. It is felt by the trustees that the impact can only be fully assessed in the years to come. The aim is that by providing 50 homes, HCPT can supplement and complement other providers and contribute to the sustainability of Holsworthy and surrounding villages by helping create a more balanced rural community.

### **Stakeholders – who is involved?**

HCPT is a community organisation with a board of trustees who oversee the trust. The board currently has 5 members who are drawn from the local community. These include a local businessman, farmer and a solicitor. One member is also a district councillor and this is important in maintaining links with TDC. The trust is supported by a part time coordinator.

### **The model/mechanism & lessons learned**

HCPT operate by taking land out of the market, thus removing the impact of land price appreciation. HCPT, on behalf of the local community, maintains an 'equitable' interest in the property developed and sold. This is a relatively straightforward process whereby HCPT disposes of its homes at 60-70% of market value, retains 30-40% of the equity and is able to control the resale through a pre-emption agreement. This gives the trust financial assurance and ensures the future availability of the homes for local people. Rental homes are let on an assured short hold tenancy.

The key learning point is that innovation can be difficult and that HCPT as an ‘early adopter’ has had to overcome many hurdles. Hopefully, successor CLTs will not have such a steep learning curve.

**Future aims of the Trustees**

**‘If you were to do it again what would you do differently?’**

Pam Johns, Chairperson and also a director of the CLT Network:

*‘To remain vibrant, our community needs to provide, manage and maintain homes that are affordable to local people. The role of HCPT is to meet this need by supplementing and complementing housing associations by providing for the ‘intermediate market’ through equity share and market rental homes.’*



Home at Bridgerule under construction ©HCPT

<b><u>Features</u></b>	
Urban	
Rural	<i>Yes</i>
HCA Support	
LA Support	<i>Yes</i>
HA Partnering	
Umbrella CLT Supported	<i>Yes – Cornwall CLT</i>
Self build	
Non housing assets	
Cross subsidy	<i>Yes – via developer/builder</i>
Documentation good practice	<i>Yes – housing allocation policy</i>

## **Cornwall Community Land Trust**

### **Summary**

Cornwall Community Land Trust (CCLT) is an 'umbrella' CLT which provides practical advice and support to local communities wishing to establish their own local CLTs. CCLT can also bring forward developments in its own right where it has the support of the local community. CCLT has a development programme of 100 homes and is now financially self sufficient after taking a development fee from successful completions and acting as a development agent for Cornwall Rural Housing Association (CRHA).



Completed homes for sale at Saint Ewe  
(©CCLT)

### **Key Features**

#### **Origins**

The Cornwall Community Land Trust project ran prior to the setting up of CCLT, in March 2007, with the purpose of examining how CLTs may be set up and supported across the county. The project was hosted by CRHA and supported by grant funding principally from the Tudor Trust and Cornwall county council. CRHA were selected as an established rural housing specialist with a credible reputation around the county.

#### **Community Assets Developed**

As a sub regional body, CCLT facilitates the delivery of homes using the CLT model in two ways. First, working with local CLTs to provide affordable homes linked to local needs and second, to bring forward projects where a need for affordable housing exists but no local group has been identified to lead delivery. An example of the first method is the recently completed scheme at Glebe Terrace developed by St Ewe Affordable Homes Ltd (SEAHL) to provide a mix of affordable housing for rent and sale. SEAHL is a CLT and has developed 4 homes for sale. It was established in 2008 and is run by a voluntary board of management. Two further homes have been constructed for rent by CRHA.

An example of the second method is Percy's Meadow, Blisland. This is a joint development between CCLT and CRHA to provide seven homes to rent and six to sell by CCLT. As at June 2011, CCLT has in total 12 projects under development which when completed will provide 100 homes, 65 of which will be for itself and 35 for local CLTs.

#### **Allocation Policy**

People in Cornwall suffer from the impact of house prices which are above the national average, yet average household incomes are well below the national average. CCLT aims to help alleviate this crisis by creating a new intermediate market of affordable housing

for sale. This will be aimed mainly at persons and families in employment but also in housing need, who cannot access traditional products. CCLT seeks to complement and supplement CRHA and other housing association providers by not competing for scarce resources for rental homes.

### **Funding Sources**

CCLT, although not seeking resources to subsidize rental homes, will seek assistance through obtaining interest free revolving loans and acquiring land at low value. At St Ewe, the 6 homes for sale by SE AHL have been developed with the support of £125,000 funding from Cornwall council, enabling the following sales prices to be achieved; two bed homes at £94,813 and three bed homes at £96,063 to £113,709. At Percy's Meadow, Blisland, the sales prices were £100,000 for a two bed and £120,000 for a three bed. In each example these values represent less than 50%-70%, of the local open market values. A revolving loan between CCLT & Cornwall council for the sum of £1m has been agreed and drawn upon to finance on site construction. CCLT has also benefited from surpluses on completed properties. Every development has been completed on budget and generated a modest return attached to the sales which is re-invested back into CCLT.

### **Legal structure**

CCLT was established in March 2007 to provide an umbrella organisation for the development of local CLTs and to provide good quality homes for local people in housing need in Cornwall and the Isles of Scilly. It is registered as an Industrial & Provident Society with charitable rules. This means that it is unable to distribute funds to its members and must act in a charitable manner. Local CLTs are encouraged to become shareholders. The board can be composed of up to 12 members of which no more than 30% can be taken by local CLT representatives.

### **Impact**

The early creation of a county wide umbrella CLT has substantially assisted the adoption of the CLT concept across Cornwall and has at June 2011 resulted in working with 6 local partners and their projects at St Minver CLT, St Just in Roseland CLT, St Ewe Affordable Homes, Camelot Country CIC, Lands End Peninsula CLT and Luxulyan CLT. CCLT continues to work on providing affordable homes itself where there is currently no group and provides a centre of expertise for community groups and others to obtain practical advice and support.

### **Stakeholders – who is involved?**

CCLT has had the support of Cornwall council and prior to the creation of the unitary council was supported by a number of district councils. Support has also been received from the Tudor Trust, the CLT Fund, Venturesome and Charity Bank. Administrative support for IT and office services has been provided from CRHA through a Service Level Agreement. In return, CCLT has provided development agency services to CRHA. This cross fertilisation of activity has underpinned the financial viability of CCLT, as well as playing to the respective strengths of each organisation.

### **The model/mechanism & lessons learned**

CCLT has the explicit remit of developing shared equity and low cost, good quality homes thus filling the gap between housing association rental and outright sale. It has successfully used the Resale Price Covenant mechanism which locks the resale value in perpetuity. CCLT is managed by a professional project manager co-located with CRHA and this has been an essential ingredient in creating a development programme in partnership with CRHA. A new Service Level Agreement has been agreed which ensures the joint development of sites between CCLT & CRHA have benefited both organisations.

### **Future aims of the Trustees**

#### **'If you were to do it again what would you do differently?'**

*“The board of management is extremely enthusiastic about the prospects and opportunities for CCLT in Cornwall and at a recent board meeting re-affirmed the importance of employing professional development staff and the synergy in sharing costs and expertise between CRHA and CCLT. They felt that this was a ‘win-win’ situation that others could learn from, particularly they believed that this gave confidence to their funders and local partners especially Cornwall council.”*



Completed homes for sale at Blisland site (©CCLT)

<b><u>Features</u></b>	
Urban	<i>No – but can apply to market and coastal towns</i>
Rural	<i>Yes</i>
HCA Support	
LA Support	<i>Yes</i>
HA Partnering	<i>Yes</i>
Umbrella CLT Supported	<i>Yes</i>
Self build	<i>Yes</i>
Non housing assets	<i>Yes</i>
Cross subsidy	<i>Yes</i>
Documentation good practice	<i>Yes – Service Agreement with CHRA</i>

## **Foundation East**

### **Summary**

Foundation East was established as a community finance organisation but its governance structure meets the legal definition of a Community Land Trust. Foundation East is the regional east of England CLT ‘umbrella’ body who acts as a CLT in its own right and kick starts community led projects by providing a temporary ‘asset lock’ until a local CLT has been formed. Its CLT support activities include acting as an independent source of practical support and development expertise.



Opening of business units at Miles Court  
(© FE)

### **Key Features**

#### **Origins**

Since its formation as a Community Development Financial Institution (CDFI) in 2004, Foundation East (FE) has been successful in raising loan capital from the East of England Development Agency (EEDA), charitable trusts & foundations and from private institutions. Additionally, over £60,000 has been raised from around 50 members.

These funds have enabled FE to make loans to viable, but not bankable businesses in eastern England. As well as being a community lending organisation, FE also has had the objective of facilitating the creation of CLTs and today is formally recognised as an ‘umbrella’ CLT offering advice and support to communities in eastern England.

#### **Community Assets Developed**

Foundation East’s first CLT project was at Miles Ward Court within the town centre conservation area of the East Suffolk town of Halesworth. The building had been empty for 40 years and FE undertook a feasibility study which revealed a need for high quality supported office and workshop space within the town centre to encourage the creation of new businesses. Plans were drawn up with the support of community partners to create 8 small BI class units varying in size between 15 and 60 square metres. The scheme was completed in 2008. Subsequently the adjoining building was acquired and refurbished to create a shop and two flats for rent by local people. This initial project which cost close to £1 million, now fully let, has given confidence to the organisation to pursue further community asset projects.

#### **Allocation Policy**

The business units at Miles Court are offered on low risk ‘easyin/easyout’ terms with access to free or low cost business support links, plus a small meeting room for use by

tenants and local community organisations. Current tenants include both charities and small enterprises involved in the arts, media, and health sectors.

The flats are let at £400 per month to local people. These were allocated to people who live, work or have family connections with Halesworth and the surrounding parishes. Priority is given to key workers.

### **Funding Sources**

The business units have been financed via a wide funding partnership, with major funding being obtained from the European Objective 2 Transitional programme; EEDA's Regional Renaissance programme, and from the Adventure Capital Fund: Financial. Philosophical support has also been received from Suffolk county council and Waveney district council. The shop and flats were financed by funding sourced from EEDA.

### **Legal structure**

Foundation East is the trading name of Foundation East Ltd, an Industrial and Provident Society. This is a non profit organisation with open membership. Both individuals and companies can apply for membership. The building at Miles Court is controlled in partnership with local community partners through the use of the CLT mechanism. This has been affected by local organisations becoming members of FE and due to the mutuality inherent in their legal structure, they are then able to direct and control the future use and direction of the building. This means that it will remain a local asset used for the benefit of, and controlled by, local people. Subsequent CLT projects could adopt this legal structure or become self standing, with FE providing advice and support as an umbrella CLT.

### **Impact**

Following the success of the Miles Court project, Foundation East, as an umbrella organisation is now in a position to promote and facilitate the CLT concept where land or buildings, such as a village hall, pub or agricultural land are acquired by a community to meet a local need. At the time of writing, FE is actively involved in a number of projects that include housing, workspaces, and community facilities that will be used for education, sport and environmental purposes

### **Stakeholders – who is involved?**

FE provides financial support to sole traders and small businesses in Cambridgeshire, Hertfordshire, Bedfordshire, Essex, Norfolk and Suffolk. The CLT activity is initially concentrated in Suffolk and Cambridgeshire, though interest is emerging in the remaining counties of the east of England.

### **The model/mechanism & lessons learned**

FE was modelled upon a Community Asset Reinvestment Trust (CART) mechanism which was developed by Community Finance Solutions, an initiative at Salford University. The essence of this model was to provide financial support and advice to rural communities to enable them to increase their economic potential. FE has lent £3.5m in loans saving or creating over 1,000 jobs. It has completed two CLT projects and is in an excellent position to meet its objectives on an ongoing basis.

**Future aims of the Trustees**

Jim Murray:

*“My wish as a member and director is to see the development of secure and productive community assets in the region, especially high quality residential accommodation, for both letting and equity share that is affordable.”*

**‘If you were to do it again what would you do differently?’**

Jim Murray:

*“As an absolute priority, secure funding for a dedicated member of staff over a 5 year period to develop the community assets. This post would specifically carry out the role of a strong and directive client for Foundation East and become self sustainable at the end of that period.”*



The adjoining building now houses 2 affordable homes and a retail unit (©FE)

<b><u>Features</u></b>	
Urban	
Rural	<i>Yes</i>
HCA Support	
LA Support	<i>Yes</i>
HA Partnering	<i>Yes – board members</i>
Umbrella CLT Supported	<i>Yes</i>
Self build	
Non housing assets	<i>Yes</i>
Cross subsidy	<i>Yes</i>
Documentation good practice	<i>Yes – Partnership agreement at Miles Court</i>

## **Bishops Castle and District Community Land Trust**

### **Summary**

The Bishops Castle and District Community Land Trust (BCCLT) was created through the hard work of local volunteers to provide affordable homes for local people, allotments, and premises for small businesses. The first scheme of two rental homes was completed in June 2011 and was financed by a creative funding cocktail, including significant sums from the shareholders of the CLT.



'Kings Head'  
development  
(©BCCLT)

### **Key Features**

#### **Origins**

Bishops Castle is a picturesque market town in Shropshire close to the Welsh border. Over the centuries the town has become a vibrant mixed community, including tradespersons, agricultural workers, artists, musicians, writers and craftspeople. This tradition has been continued with the formation of firstly a project steering group and then in 2007, the BCCLT to provide the local community with affordable land for a variety of purposes, but with the aim of owning the property assets and letting them out rather than sell them.

#### **Community Assets Developed**

The initial 'Kings Head' project of two small semi-detached houses for rent was developed in the centre of the town on land purchased from a local architect at a sum of £16,000. The scheme was completed June 2011. It is now proposed to build on the success of this project by working with the Bishops Castle town council to build work units for micro businesses on land leased to them from Shropshire council.

#### **Allocation Policy**

A housing needs survey was carried out by surveying all 1400 households in Bishops Castle and the 10 surrounding hamlets. A 21% response rate was obtained of which 45% responders had housing needs. A parish plan prepared in 2004 identified the need for affordable workspace in addition to affordable homes. A housing allocation statement has been drawn up by BCCLT agreed by Shropshire council. The houses have been let to local residents at affordable rents.

#### **Funding Sources**

BCCLT was successful in obtaining a start up grant of £22,350 from the Co-operative Fund set up by the Co-op group to assist community projects. In addition to work on the initial housing project the grant was also used to research the provision of affordable workspace in Bishops Castle. A capital grant of £80,000 has also been received towards the 'Kings Head' project. The HCA provided £50,000 and Shropshire council has made available another £30,000. A significant sum of £22,000 has also been raised from local fund raising towards the capital costs. The balance was secured from a commercial loan from the Ecology Building Society.

### **Legal structure**

BCCLT is registered as an Industrial and Provident Society. To be inclusive and attract as many local shareholders as possible, the minimum shareholding was set low, at £5. As of July 2011 there are 204 shareholders, each of which has one vote at the AGM (regardless of the number of shares held). Several people have made multiple purchases of shares, and the town council is one of the largest shareholders.

### **Impact**

The completion of the first project is a significant milestone as it has demonstrated to local people it can be achieved and thus be part of a wider movement. It has been the community shareholding which has made the trust a durable institution. The trust creates a strong sense of local ownership – 'this is ours' and such an attitude encourages other initiatives. For example, 'Landfest', a two day music festival featuring young local rock bands has been held for the past two summers. As well as raising money (£7,000 in 2010), it promotes the concept of community ownership of local assets to a wider audience.

### **Stakeholders – who is involved?**

In addition to the funding support from the Co-op group and the HCA, significant support has been forthcoming from Shropshire council, and Bishops Castle town council.

### **The model/mechanism & lessons learned**

The key ingredient of this project has been the local engagement which enabled the CLT to be formed and use the resources raised locally to make a contribution to the 'King's Head' scheme. One reason for its success is its marketing of the CLT which has been exemplary. The other side of the localism coin is the way in which BCCLT has worked with, and been supported by the public sector and politicians. The trust has received strong and consistent support from both elected members and officers of Shropshire council. The council's cabinet member for housing is a co-opted member of the trust's board. The local MP and government whip, Philip Dunne, is also an enthusiastic shareholder member.

### **Future aims of the Trustees**

#### **'If you were to do it again what would you do differently?'**

Jonathon Brown:

*"If we were starting again now, we would have benefitted from the more numerous good news stories, CLT specific grants and extra help and resources that are in place today. In*

*hindsight we were a bit too cautious and slow, and then when we did get going on our first project, we underestimated the time that legal matters take to get resolved, Also do not underestimate the nitty gritty problems and paperwork incurred when dealing with your providers of water and electricity!"*



Official opening of the 'Kings Head' development  
(©BCCLT)

<b>Features</b>	
Urban	
Rural	<i>Yes</i>
HCA Support	<i>Yes</i>
LA Support	<i>Yes</i>
HA Partnering	
Umbrella CLT Supported	<i>Yes</i>
Self build	
Non housing assets	<i>Yes</i>
Cross subsidy	
Documentation good practice	<i>Yes – Local marketing of shareholding opportunities</i>

## **Buckland Newton Community Property Trust**

### **Summary**

Buckland Newton Community Property Trust was formed by local people to provide affordable homes for people with close connections with the village through residency, family or work. An initial development of 10 homes has recently been completed. The support of West Dorset district council was instrumental in ensuring the scheme was implemented and the council has also provided a long term loan for the rental homes.



Lydden Meadow  
completed homes  
(©BNCPT)

### **Key Features:**

#### **Origins**

Buckland Newton is a typical and highly desirable village in West Dorset. The village, along with its six hamlets has a population of just over 450. Early in 2003, a steering group of villagers recognised the need for affordable homes as the available properties for rent or purchase exceeded the incomes of rural families. Buckland Newton Community Property Trust (BNCPT) was formed with the purpose of securing land and building homes to help address the needs of local families with strong links to the village.

#### **Community Assets Developed**

The first development was at Lydden Meadow which is an attractive farmhouse style development of 10 high quality, energy efficient homes. It is set in an Area of Outstanding Natural Beauty (AONB) and is sympathetic and in keeping with the locality. The scheme comprises of five assured tenancy homes for rent and five shared ownership (part equity) homes. They achieved a Code 4 Sustainable Homes certificate that means they are at the highest level of energy efficiency and comfort.

#### **Allocation Policy**

BNCPT agreed an allocations policy with West Dorset district council (WDDC) and has selected the initial 10 residents in accordance with this policy. The S106 Agreement stipulates an initial allocation restricted to an applicant with a close connection to Buckland Newton via residency, work or education and a subsequent resale of shared ownership in a 'priority cascade' over time, starting with the village, flowing out via the surrounding villages to the county and finally anyone in need of an affordable house in the UK. This is reflected closely in the wording of the allocation policy. The initial 5 tenants and 5 shared owners all have close links with the village via residency and education, with some working within the parish which achieves another criteria.

The residents purchasing a share are buying at a cost of £56,250 to £76,000 which represents between 25-40% of open market value. The Ecology Building Society is providing mortgages to these purchasers.

### **Funding Sources**

The cost of building these homes has been greatly assisted by grants from the HCA, WDDC and a charitable Trust. The total cost of the project is £1.4m, of which just less than 50% has been funded by grants with the HCA providing a grant of £550,000. The long term loan for the rental homes has been provided by WDDC at a commercial rate, with a maximum repayment period of 25 years. After the loan has been repaid BNCPT will have a substantial income of £40,000 pa derived from rents which can be used to benefit the village and to support its needs.

### **Legal structure**

BNCPT is a company limited by guarantee with 16 shareholding members. The company does not have charitable status. In order to qualify for a HCA grant, BNCPT must abide by best practice as landlord fulfilling all legal obligations. To meet its housing management obligations, BNCPT as a voluntary organisation will sub contract its management to Magna Housing which is a local registered social housing provider.

### **Impact**

This small project will provide the first new affordable homes in the village for 20 years and is a testament to the leadership of the directors and the support of the district council which has been instrumental in ensuring the scheme was implemented. The support of the district council could be replicated by other rurally focused councils and can become a model for other CLTs working on rural exception sites.

### **Stakeholders – who is involved?**

The CLT has been greatly assisted by WDDC who provided professional support, grants and development loans. In addition, the HCA also provided a substantial grant together with the Tudor Trust. The project would not have reached fruition without the enormous and unflagging effort of the BNCPT directors who, as unpaid volunteers, have invested endless hours and drawn upon their personal skills

### **The model/mechanism & lessons learned**

Below is list of specific assistance and skills from WDDC without which the trust would not been able to proceed:

- The wholehearted support of council members, for whom affordable houses is a district wide priority.
- The valuable support of the finance director who has facilitated:
  - A grant to develop a legal model,
  - A development loan at a commercial rate which would have been very difficult to secure from a commercial lender, particularly in the current economic times,
  - A flexible and secure long term loan from a friendly lender for the rented properties.

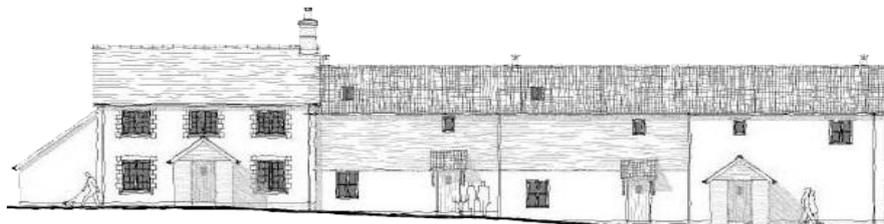
- Efforts to use their security to create a mortgage guarantee that would give commercial lenders the confidence to lend where there is no mortgagee-in-possession clause.
- Assistance in developing an allocation policy and procedure that prioritises local connection
- Legal assistance in refining the S106 Agreement so it reflects the aims of the trust and best protects the long term future of the trust’s homes
- Assistance in advertising the houses on the joint housing register for West Dorset
- The assistance of the rural housing enabler

**Future aims of the Trustees**

**‘If you were to do it again what would you do differently?’**

*“BNCPT Directors certainly do not have the energy to do this again. This has been an exciting but exhausting process for over 7 years.*

*We now have legal models and build models that satisfy Code 4 and Lifetime Homes, an allocation method with policies and procedures, all of which are different from those of WDDC. This work has taken many hours but is now tried and tested and could be a template for future CLTs. While the current ceiling level for a mortgage is around £60,000, and the minimum build cost for a two bed Code 4 house locally is around £110,000, there will always be a gap in funding. Also due to the changes in HCA grants there may not be a similar financial model to offer future CLTs. There is an urgent need to explore other ways to resolve funding gaps. Planning is always tricky. Unless the new Localism Bill makes planning easier for affordable houses there is real merit in staying below the current ‘major’ application level of 10 houses. If the application can be treated as a ‘minor’ application it removes a lot of the scrutiny that this project faced.”*



Impression of planned homes at Lydden Meadow (©BNCPT)

<b><u>Features</u></b>	
Urban	
Rural	Yes
HCA Support	Yes
LA Support	Yes
HA Partnering	Yes
Umbrella CLT Supported	
Self build	
Non housing assets	
Cross subsidy	
Documentation good practice	Yes – LA (West Dorset DC development and long term loan funding support)

## **High Bickington Community Property Trust**

### **Summary**

Devon county council (DCC) entered into an agreement with the High Bickington Community Property Trust (HBCPT) to redevelop one third of a smallholding by providing 39 new homes and other facilities. The land has been transferred to HBCPT who are engaged in carrying out a 3 phase development over 4 years at a total estimated cost of £12.5m. At completion, HBCPT will account to DCC upon its costs and income and the surplus will be split between both parties. HBCPT will use its share as a dowry to underwrite its social enterprise business, which together with rents, will give HBCPT a revenue stream to meet ongoing management and maintenance costs, and support community development.



Work starts on site December 2010  
(©HBCPT)

### **Key Features**

#### **Origins**

Project 2000, the forerunner of the CPT, completed a detailed parish appraisal in 2001 to identify the needs of the parish. These included affordable workspace and homes, a new primary school and integral community facilities. In 2002-3, a parish plan was drawn up, consulted upon and published. The parish council adopted the plan in 2004 and asked the CPT to be its agent for implementing the plan. After a prolonged struggle that included applying twice for planning permission, planning consent was granted in October 2009 and a start on site for phase 1 was granted in December 2010.

#### **Community Assets Developed**

DCC have, by a combination of a freehold transfer and 5 leases, provided the means for HBCPT to carry out its regeneration plans. The total scheme comprises 16 affordable homes and 23 open market homes; 6 workspace units; a woodchip fuelled district heating system to serve the whole development; a new community building and replacement primary school; open space, including a playing field, allotments and community woodland and a potential site for a new health centre. DCC are responsible for commissioning and financing the replacement school and HBCPT for the remainder of the development. In December 2010 the affordable homes, two open market homes, workspace, community building and the district heating system began.

#### **Allocation Policy**

HBCPT has agreed a housing allocation policy with Torridge district council (TDC) which provides the criteria for considering applicants for one of the 16 affordable homes. The homes will be available in two ways, either under equity purchase where the

purchaser will buy the freehold of the property for a price equal to a mutually agreed percentage (likely to be between 40%-80%) of its full market value at the time of purchase, or under tenancy plus where the applicant will be granted a tenancy and pay a monthly rent for as long as they occupy the property. When they leave, HBCPT may make a payment to assist the tenant to gain a further foothold on the housing ladder, which will be linked to the amount of rent paid less the costs incurred by HBCPT.

### **Funding Sources**

HBCPT has had the support of charitable trusts, European Union programmes and local fund raising to sustain itself from its formation in 2004 until the start on site six and a half years later. This social venture capital has totalled more than £400,000. The capital costs are being financed from a cocktail of loan and grant resources including, Section 106 monies, DCC through a contribution to infrastructure costs for the replacement school, community builders through a contribution to the community building, the HCA through 'gap funding' to enable the development to proceed and also a commercial loan from Triodos Bank. Ultimately the financial viability of the scheme and the return to DCC for the land depends upon the successful sale of the 23 open market homes.

### **Legal structure**

HBCPT is a not for profit exempt charity registered as an Industrial and Provident Society. All residents in the parish over 18 years of age, and people with local connections, can hold a single £1 share. As at June 2011, 224 people have joined. DCC and High Bickington parish council are corporate members.

### **Impact**

The HBCPT is a national exemplar project for communities creating community owned assets that address rural regeneration issues. The tenacity of the directors over 10 years has been well documented and proves the capacity of local communities to deliver the new 'Localism' and 'Big Society' agendas. This development places High Bickington in a strong, inclusive and sustainable position to meet the future challenges facing small rural communities.

### **Stakeholders – who is involved?**

Over a 12 year period a number of key stakeholders have been engaged in the process. Initially DCC, High Bickington parish council, TDC and Devon and Cornwall Housing Association led the development of the project strategy. Along the way a number of other organisations including Community Land and Finance, Wessex Re-investment Trust and the National CLT Network have all played a part whilst TDC and Devon and Cornwall Housing Association have effectively left the process. The key players throughout, therefore, have been DCC, High Bickington parish council and High Bickington CPT Ltd.

### **The model/mechanism & lessons learned**

The scheme at High Bickington is being implemented at a time of major changes in national community enterprise and regeneration policy, for example the Community Right to Build & the Big Society concept. As an 'early player', HBCPT has encountered

many obstacles along the way in terms of public policy and rapidly changing financial and town planning environments. Many of the lessons learned by HBCPT have been used to help other local groups to avoid pitfalls and design achievable results within relatively short timescales.

### **Future aims of the Trustees**

The board and members of HBCPT aim to develop a truly sustainable future for High Bickington. Firstly they will seek to ensure the full participation of local residents but will then branch out to work with local authorities, public agencies and community groups to ensure that the primary aims of the trust are met into the future. Initially the board of HBCPT does not see this work extending beyond the boundaries of the High Bickington parish but, in the longer term, hope that they might be able to assist other local communities to develop plans for themselves. Alongside this HBCPT will continue to play a part in the development and ongoing work of the National CLT Network.

### **'If you were to do it again what would you do differently?'**

*"Whilst HBCPT has encountered numerous problems and delays along the way we would still want to pursue our original aims and objectives and would almost certainly still start from the point of seeking the views and ideas of local residents and stakeholders. Ideally we would like to be able to put those views and ideas into practice quickly whilst doing it in a way that did not fall foul of existing town planning and governmental policy frameworks! Clearly this will not always be possible but then that is often how existing policy is challenged and brought up to date."*



Current work on  
Little Bickington  
Farm Development  
(©HBCPT)

<b><u>Features</u></b>	
Urban	
Rural	<i>Yes</i>
HCA Support	<i>Yes</i>
LA Support	<i>Yes</i>
HA Partnering	
Umbrella CLT Supported	
Self build	
Non housing assets	<i>Yes</i>
Cross subsidy	<i>Yes</i>
Documentation good practice	<i>Yes – Affordable Housing Leaflet</i>

## **Lyvennet Community Trust**

### **Summary**

Lyvennet Community Trust (LCT) has bought an old stone works site in the Cumbrian village, Crosby Ravensworth which it is currently redeveloping to provide 20 homes for local people. These will be a mix of rental, shared equity and self build plots. The CLT has had the benefit of being in one of the Governments Big Society Vanguard locations.



Outline plans on  
stone works site  
(©LCT)

### **Key Features**

#### **Origins**

The LCT was formed following a housing needs survey carried out by Cumbria Rural Housing Trust (CRHT) in 2008. This highlighted a need for 23 homes in the parish of Crosby Ravensworth. Working with Eden district council (EDC) and CRHT, the group quickly realised the potential of a CLT approach where ownership and management of the properties is retained by the community. In 2009, the LCT became a registered company and a charity in 2010. CRHT's project officer acted as the catalyst for the group, providing initial support and advice on the CLT approach, company models, finances and the route into the wider CLT movement for further support.

#### **Community Assets Developed**

The project currently on site will provide 20 homes. 12 affordable homes are being built (10 rented and 2 shared ownership) and a further 8 properties are included in the scheme as serviced plots specifically for self builders, as some local households expressed a desire to contribute to the design and construction of their homes. The total cost of the project is £1.8m with the first tenants expected to move in by April 2012.

#### **Allocation Policy**

All 20 homes will have local occupancy restrictions. The Section 106 Agreement as part of planning permission includes an affordable housing and occupancy provision. The LCT developed their own housing allocation policy further tightening the local occupancy requirements. The self build plots will have local occupancy criteria incorporated as a covenant in the land transfer.

#### **Funding Sources**

Initial seed funding came from the parish council and the Tudor Trust (£1k and £2.5k respectively) which enabled company formation, website and business plan development. Eden district council then provided a £30,000 loan. LCT was able to purchase the site in 2010 thanks to the financial support from the CLT Fund, the Tudor Trust, Esmee

Fairbairn, and Venturesome charities. This funding was also used to cover professional fees incurred in developing the scheme to meet the requirements for HCA investment. The LCT has received £660,000 grant funding from the HCA plus over £1m private finance from the Charity Bank (£0.5m mortgage and £0.5m short term loan).

### **Legal structure**

The LCT is a company limited by guarantee and has 64 members from the local community. In addition to registering as a charity, the LCT has also become a registered provider of social housing and an investment partner with the HCA. These bureaucratic processes were a challenge for the trustees to achieve within timescale and Cobbetts provided support in developing the articles and various policies required to meet Charity Commission, TSA, HCA and Companies House requirements.

### **Impact**

The LCT is working to support its community with other village based initiatives and in February 2011 established the Lyvennet Community Pub Ltd (LCP), an Industrial and Provident Society set up to progress the cooperative purchase of the village pub in June 2010 by raising £300k through shares. The pub opened in August 2011 following a £75,000 refurbishment which involved over 4000 hours of volunteer input.

The rural housing project not only provides a more balanced rural community but can provide a blueprint for other small communities. Through the group's involvement in the Governments Big Society Vanguard pilot for the Eden Valley, LCT have had access to government departments at the highest level and the challenges to progress are being reviewed and addressed to assist the delivery of future projects.

### **Stakeholders**

Stakeholders include 10 trustees/directors, the driving force behind the scheme; the community who have supported the group from the outset; the district council and parish council; local MP; Big Society Bureaucracy Busters from DCLG; HCA, TSA, Eden Housing Association; and the professional support team.

### **The model/mechanism & lessons learned**

Lessons learnt include:

- An understanding of the basics of CLTs
- Ensuring the aims and objectives are understood by the group and community
- Initial networking with key players ensures clarity when support is required throughout process
- Getting Company Articles right from the outset to meet all agency requirements
- The need to develop a quality business plan which is regularly updated
- Regular updates and consultation with the community to ensure full buy in
- Engagement of client representative / quantity surveyor early in the process
- The value of legal advice; the LCT benefited from having a solicitor in their group
- Utilisation of the wider CLT movement for advice and documents

### **Future aims of the Trustees**

Once the housing has been completed in April 2012, the LCP group have plans to add further services to the pub including a shop, library, and facilities for the elderly.

**'If you were to do it again what would you do differently?'**

*“On the whole very little; I do think though, we would have engaged professionals at an earlier stage, subject to funding, to reduce some of our time commitment. Also, our involvement with Big Society has been positive and negative. Having access to government support and Bureaucracy Busters has been supportive and future CLTs should benefit from changes introduced as a result of our involvement. Finally, the in principle approval of HCA funding in November 2010 put the group under severe pressure. We had to acquire the site, obtain full planning permission, tender and award the contract for construction and secure all funding by mid March 2011. With some additional time we could have reduced costs, carried out further community consultation, and perhaps improved the scheme.”*

David Graham, LCT Chair:

*“I do not think our group knew what they were letting themselves in for. The process has required serious commitment in time, stamina, and willpower as we have constantly challenged our own thinking and that of government agencies and departments. Along the way, however, we have had brilliant fun, doing a sponsored abseil down the outside of our church tower, quiz nights to raise funds or the community workdays refurbishing our pub, with people of all ages knocking walls down and painting.”*



Trustees at the site entrance  
(©LCT)

<b>Features</b>	
Urban	
Rural	<i>Yes</i>
HCA Support	<i>Yes</i>
LA Support	<i>Yes</i>
HA Partnering	<i>Yes – Eden Housing Association</i>
Umbrella CLT Supported	<i>Yes – CRHT</i>
Self build	<i>Yes</i>
Non housing assets	<i>Yes</i>
Cross subsidy	<i>Yes</i>
Documentation good practice	<i>Yes – Legal structure fit for purpose as a CLT, Charity, registered provider etc</i>

## **Worth Community Property Trust**

### **Summary**

Worth Community Property Trust (WCPT) was set up by local people to benefit the community of the parish of Worth Matravers in Dorset. Its initial objectives included the provision of affordable homes with the first project of 5 homes currently under construction.



Volunteer archaeologists excavating a graveyard found on the edge of the development (©WCPT)

### **Key Features**

#### **Origins**

Worth Matravers is a picturesque village on the Isle of Purbeck in Dorset. The attractiveness of the area means that property prices have risen sharply, keeping some local people off the property ladder. WCPT was set up in 2006 with the objective of regenerating the parish 'by the community for the community'. The first aim was to build affordable homes for local people, then to continue to deliver other community assets such as a village shop and to provide more job opportunities in the local area.

#### **Community Assets Developed**

At present WCPT is concentrating upon a development of five homes following contracts being exchanged in March 2011. These homes are for rent by local residents and are expected to be completed by March 2012. They are being built on the edge of the village on a rural exception site, and constructed to sustainable homes code level 4 standard.

#### **Allocation Policy**

WCPT have agreed a housing allocation policy with Purbeck district council, the key ingredients of which are to provide homes for people who live and work in the parish and that the allocations are made by local people. The Section 106 Agreement provided contains a mortgagee in possession clause that allows increased borrowing against the properties. WCPT will make the allocations for the properties and the residents will be tenants of the Synergy Housing Group who have been contracted to provide maintenance for the properties.

#### **Funding Sources**

Initial start up monies for the formation of WCPT were raised from local sources and a grant towards the purchase of the land was received from a charitable trust. The total capital cost for the 5 homes has been estimated at £840,000 (plus Synergy on costs) and

to finance the construction phase of the project WCPT have developed a lease agreement with Synergy Housing Group. This has enabled WCPT to access the funding available to a registered provider including a grant from the HCA towards the capital costs.

### **Legal structure**

WCPT is registered as an Industrial & Provident Society, all residents of the parish of Worth Matravers are able to become members and hold one share of the trust and as at 30<sup>th</sup> June there were 53 members.

The lease agreement with Synergy Housing Group is for 125 years with WCPT retaining a freehold interest. WCPT will receive a ground rent and a 'buy back' clause has been included in this.

### **Impact**

This small project will provide the first new 'affordable' homes in the village for 20 years and is a testament to the leadership of the directors and the generosity of local supporters. The lease agreement with Synergy Housing Group which unlocked an impasse can become a model for other CLTs working on rural exception sites.

### **Stakeholders – who is involved?**

A variety of bodies are involved in the process including:

- Local community
- Worth Matravers parish council
- Purbeck district council
- Purbeck Community Partnership
- Synergy Housing Group
- East Dorset antiquarian society
- Cobbetts – providing legal advice
- CFS/National pilot scheme – providing advice

### **The model/mechanism & lessons learned**

WCPT eventually discovered that it was impossible to develop a rural exception site without HCA funding. In this situation, we found that a partnership development with an RSL was the most efficient and effective way of securing the development. This model maximises the CLT strength of liaising with the local community, sourcing local land and allocating properties to local people. It also used the complementary strengths of an RSL in developing and maintaining affordable properties that meet all government regulations. This is important as even if board members can be found with the required broad range of necessary skills, it is very unlikely they will all have the time needed to bring forward a comparatively complex development. Also, having the local planning authority and the parish council on the board was key to maintaining support throughout the process.

WCPT found the HCA an extremely difficult organisation to deal with. They experienced poor communication and there seemed to be long periods on inactivity. They do, however, recognise that the HCA was undergoing considerable organisational change at the time which must have been very unsettling for the individuals involved.

## **Future aims of the Trustees**

### **'If you were to do it again what would you do differently?'**

Bob Kenyon:

*“Choose your developer carefully. We chose a developer who offered innovative sustainable design that incorporated an element of self build. The original estimate was very competitively priced but the price rose three times resulting in an increase of £400,000. This made the proposition a lot less attractive in terms of cost and the board lost faith in the organisation because it seemed unable to accurately predict its costs. We had twice raised additional funds to meet the revised estimates and finally had to apply for HCA grant to meet the shortfall.”*



Supporters and potential residents  
(©WCPT)

<b><u>Features</u></b>	
Urban	
Rural	<i>Yes</i>
HCA Support	<i>Yes</i>
LA Support	<i>Yes</i>
HA Partnering	<i>Yes</i>
Umbrella CLT Supported	
Self build	
Non housing assets	
Cross subsidy	
Documentation good practice	<i>Yes – Section 106 agreement and lease agreement with Synergy Housing Group</i>

## **Cashes Green Community Land Trust**

### **Summary**

Gloucestershire Land for People (GLP) has been exploring the redevelopment of the derelict hospital site at Cashes Green, Stroud. Plans have been submitted to the district council to build 78 homes, of which 20 are for rent, 19 for part ownership and 39 for sale on the open market. Cashes Green Community Land Trust (CGCLT) is being set up (with the support of GLP) to purchase homes as it can afford to and ultimately for the CLT to own and manage all the affordable homes with housing association support.



Kevin McCloud from HAB and residents at Cashes Green allotments  
(©Hab Oakus)

### **Key Features**

#### **Origins**

The catalyst to develop the derelict hospital site was an initiative by the then local MP David Drew and the Chief Executive of the Co-operative Development Society (CDS) David Rodgers. David from CDS was at the time promoting nationally the Mutual Home Ownership (MHO) model for CLTs, and with GLP, went through a considerable viability exercise to establish the suitability of the MHO model. The land, which is in public ownership, proved difficult for GLP to agree a way forward upon and subsequently in discussion with the HCA it was agreed that the site be tendered but without the requirement for the MHO model. As a result a partnership was formed between GLP as an 'umbrella' CLT and Hab Oakus, which is a joint venture between Hab, the development company founded by Kevin McCloud of Grand Designs fame, and the Green Square Housing Group.

#### **Community Assets Developed**

The plans submitted to Stroud district council include proposals to build 78 new homes; 20 affordable homes for rent, 19 affordable homes for equity share ownership, and 39 for sale on the open market by Hab Oakus. The designs incorporate reuse of some of the old hospital buildings. There will be a green lined spine across the neighbourhood and the scheme will deliver new building linked to community allotment gardens. As part of the partnership agreement all 78 homes will meet Level 4 of the Code for Sustainable Homes, which is a higher standard than conventionally built homes.

#### **Allocation Policy**

The affordable homes will be allocated in accordance with a housing allocation policy agreed with Stroud district council. The shared equity homes will be disposed of on an

equity share mortgage basis. In this method, the buyer acquires the property outright with a mortgage for (say) 60% of the open market value, the remaining 40% being held on a second equity mortgage by the CLT.

### **Funding Sources**

The proposed scheme is a public subsidy free development. The HCA will provide a building licence to develop the site and when completed the HCA will sell the freehold to Hab Oakus for an agreed sum. Hab Oakus will hand over the freehold for all the land, except the homes sold on the open market to Cashes Green CLT. Hab Oakus as the developer will be responsible for funding the pre-development costs, raising the development finance and providing the cross subsidy from the open market to the CLT homes.

### **Legal structure**

The CLT is in the process of being formed as a separate legal entity. Ownership of the land (excluding the outright sales) will be vested in the CLT, with a 125 year lease to the housing association. People who live in Cashes Green will be eligible to join the new trust and have a say in how it will operate through an estate management board. The overall scheme will be managed by the board and all residents will pay a community facilities charge and estate service charge towards the cost of ongoing maintenance and long term stewardship of the estate.

### **Impact**

This scheme, through proactive community participation, is to turn a physical eyesore into a community owned asset upon which no public subsidy is payable. It will be the first time a CLT housing project would be delivered on HCA land in England, thus establishing an important precedent for future communities to follow.

### **Stakeholders – who is involved?**

This groundbreaking project follows months of engagement with local residents, including public information sessions at which local people submitted comments, which helped to inform the eventual planning application. GLP has remained committed to ensuring that the community voice has been heard, which has resulted in the CLT being an important stakeholder in the developmental process.

### **The model/mechanism & lessons learned**

The model of a CLT working in partnership with a private developer and a housing association, with the developer delivering the scheme is a good one especially for a larger site such as this one in the ownership of the HCA. The original intention of the members of GLP was to develop the site themselves utilising the MHO model developed by CDS. This is an innovative form of co-operative ownership but was a step too far for the HCA and others to contemplate. This model has however now been successfully implemented in Leeds by the Low Impact Living Affordable Community ([www.lilac.coop](http://www.lilac.coop)).



Cashes  
Green site  
(©GLP)

<b>Features</b>	
Urban	<i>Yes</i>
Rural	
HCA Support	<i>Yes</i>
LA Support	<i>Yes</i>
HA Partnering	<i>Yes – CDS and GreenSquare H.A</i>
Umbrella CLT Supported	<i>Yes - GLP</i>
Self build	
Non housing assets	<i>Yes</i>
Cross subsidy	<i>Yes – via developer</i>
Documentation good practice	<i>Yes – turn-key contract or agreement between developer and CLT</i>

## **East London Community Land Trust**

### **Summary**

East London Community Land Trust (ELCLT) has been formed to promote local community interest in being involved in community led and owned housing schemes envisaged for the Olympic Park legacy neighbourhoods in East London. ELCLT has also taken the lead in working with existing and emerging community owned and led housing bodies to set up a 'community housing working group' in Tower Hamlets. The CLT's pathfinder project is St Clement's hospital in Bow.



Clock tower of  
St Clements  
hospital, Bow  
(©ELCLT)

### **Key Features**

#### **Origins**

In response to the London 2012 Olympic bid, London Citizens worked with the bid team in an attempt to secure land for a CLT in the capital. This was pledged by Sebastian Coe, Ken Livingstone and the London Development Agency, however it was decided that a working pilot should be secured. Unfortunately, support for this scheme fell through and so London Citizens helped establish East London Community Land Trust (ELCLT) which has since elected St Clement's as its pathfinder site. Boris Johnson has pledged support for the scheme and ELCLT are currently undertaking the HCA tender process for Saint Clement's.

#### **Community Assets (to be) Developed**

ELCLT is part of a consortium comprising Carilion Igloo and Poplar HARCA who are proposing the redevelopment of St Clement's Hospital in Bow as their pathfinder site. The consortium is collectively bidding for the site which is currently owned by HCA and is being put out to tender. It is envisaged that Igloo will provide ELCLT with a turn-key operation at cost for the entire affordable housing component of the site, currently set at offers between 35%-50%. ELCLT will then own and manage this component of the site, which will combine affordable rent and shared equity owner occupied housing.

#### **Allocation Policy**

ELCLT do not presently have an allocation policy but this will be agreed by autumn 2011, when they enter the final stage of the tender. As the CLT intends to own both the intermediate housing and the affordable rent, they will require an allocations policy that reconciles with the local authorities choice based lettings arrangements.

#### **Funding Sources**

It has not been finalised how cross subsidy from open market sales will be utilised. However there is approximately a £5m Section 31 money grant for the site which will also be used. The developer has indicated they are willing to cross subsidise from private stock, but ELCLT will not own or sell any open market rate homes itself.

### **Legal structure**

ELCLT has been formed as an independent, community benefit society regulated by the FSA, established 2007.

### **Impact**

It is too early to fully understand the impact of ELCLT; however, they have been proactive in their campaign and neighbourhood planning sessions have linked community led design to the role of CLT. It is hoped they will develop 75-100 units of housing on St Clement's and subsequently a portion of the Olympic Park Legacy Company (OPLC) development.

### **Stakeholders – who is involved?**

As the membership of the IPS grew from London Citizens, it is currently in the process of formalising the membership. This work started in earnest only recently, but they already have 1,000 members for their forthcoming AGM.

The board follows the 'classic' tripartite model from US, with 'local residents' currently filling for those who will be leaseholders. The community representatives all come from local civic institutions such as Central Foundation Girls School; East London Mosque; Mile End Residents Association; Queen Mary, University of London; Epainos Ministries, Mile End and The East London Communities Organisation (TELCO).

### **The model/mechanism & lessons learned**

The exact details of which form of home ownership to be offered is unknown at present and will be confirmed after the tender is finalised in August.

The involvement of HA's has provided valuable insight and the nature of their relationship is crucial. Poplar HARCA have helped a great deal through offering their staff for financial modelling and allocations policy. HARCA do not want ownership rights on the site, rather they care about the specific locale and take a 'big brother' role.

### **Future aims of the Trustees**

#### *External*

- Full development of St. Clement's Hospital proposal, through to completion and stewardship.
- Exploration of tendering for another site within a similar partnership, namely the former Queen Elizabeth Children's Hospital on Hackney Road.
- Tender for community led housing upon the OPLC site.
- Explore possibility of small developments on particular sites within Royal Docks, Newham.
- Acquire ex-local authority houses and those in disrepair, to build up stock through manageable investments that mitigate risk and reward perpetual affordability.

#### *Internal*

- Expand shareholder membership to over 1,000 local people.
- Hold a successful AGM, culminating in the election of a new board of trustees.
- Finalise allocations policy for CLT.
- Finalise modelling across the St Clement’s site and secure a lender for the capital.

**‘If you were to do it again what would you do differently?’**

*“What we have done well, until this point, is the politics. The greatest single boost for the campaign (which in earnest began in 2003, but received no real attention until 2009) was the decision to focus our efforts on one particular site which we elected for ourselves. We feel very strongly that CLTs shouldn’t just be ‘brought to life’ by governments or housing associations or anyone else, it’s up to the local community to say that they are required in a particular area. However, having praised the role ‘politics’ has within our campaign and our willingness to make it a central feature, what we would have done differently is engaged strategic partners earlier. You need developers, you need housing association partners, and you need a constitution, a board, a membership, an AGM... etc. etc. “Give us land, any land” was not a viable campaign. The questions of “how” and “to whom” were reasonable responses from City Hall.”*

Paul Regan, Chair of ELCLT:

*“If the CLT model is to truly prove itself as a viable and replicable delivery option worthy of the mainstream, then it has to be tested in more diverse communities and it has to be tested at scale. And there is nowhere in the country more suited to this – nor, indeed, more likely to make a success of it – than east London.”*



London Citizens campaigning  
(©ELCLT)

<b><u>Features</u></b>	
Urban	Yes
Rural	
HCA Support	Yes
LA Support	Yes
HA Partnering	Yes
Umbrella CLT Supported	
Self build	
Non housing assets	
Cross subsidy	Yes
Documentation good practice	Yes – ‘expression of interest’ seeking partners