

Community Land Trusts

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An initiative of



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Community Land Trusts

CLTs are locally based, not for profit organisations that own assets such as land and buildings through a trust which is democratically controlled by the community. By capturing land value in perpetuity, CLTs can provide long-term benefits and provide affordable housing, business units and local services



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Existing experience

■ UNITED STATES

- Very limited public housing (2%)
- CLTs primarily in New England but recognised model elsewhere
- Different legal framework
- A growing sector with own funding arrangements etc.

■ UK

- Scotland
- Letchworth Garden City
- Stonesfield Community Trust (Oxon)
- Pioneering projects
 - Devon
 - Dorset
 - Cornwall, county-wide model

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Isle of Gigha Heritage Trust, Scotland

- 3400 acre island bought for £3.85m.
- £1.0m repaid to SLF/CLU.
- Windpower
- Continued milk collection.
- £3.0m for improving existing Trust homes.
- 16 new housing association homes.
- New businesses and jobs.
- Population has increased from 98 to 121; school roll from 6 to 13.



Stonesfield Village Trust – Oxfordshire

- 1,500 Population.
- 1983 land £3,000 grant.
- Ethical and local sources of finance.
- 11 rental energy efficient homes.
- Post Office, telecottage, playgroup.
- Debt free from 2005 with £40,000pa for village services.



Policy context

- Urban areas: regeneration and renewal
- Rural exception site housing potentially with no grant
 - available to more communities
 - no exposure to Right to Buy/Government control
 - less dependency
- Community involvement and empowered
 - use of local knowledge and contacts
- Reassurance to land owners that land or property sold at low value will not become windfall to householders in future
- Reassurance to planners (cf past shared ownership)
- Reassurance to community that housing will be allocated to people with local connection
- Guarding land ownership in perpetuity
- LSPs and LAAs: affordable housing with direct link to community needs
- Link to Quirk agenda: best use of assets



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Government support?

+

- Community engagement
 - Quirk review: asset transfer programme
- Housing Green Paper
 - support for alternatives
 - CLT access to social housing grant
- Local Development Frameworks: community consultation up agenda
- LAAs: community connections needed
- Sustainable Communities Act?

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- Lack of joined up support
- Housing association mergers: “big is best” Housing & Communities Bill
 - only registered bodies can access grant for rent
- Top-down regional planning



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National CFS housing project

- Housing Corporation and Carnegie Trust funding
- Undertake national survey to identify where CLTs have been/are being used
- Identify interested housing associations, development trusts and others and 6-9 urban and 6-9 rural areas with the need and potential
- Undertake appraisals to identify the communities and the potential projects
- Workshops with partners to share CLT methodology and tools
 - housing associations; development trusts; others
- Select schemes for implementation by 31.3.08
 - others to keep/be kept in touch via portal

Diagram of project plan

Agencies

Rural policy-makers: Hsng Corp
CRC RDAs,
DEFRA, DCLG,
TCPA

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CDFIs, DTs,
NHF,
Regeneration
Agencies,
bespoke CLT
umbrellas

Urban
and
Rural
CLTs

Successful projects inform policy and practice

**INFLUENCING
PLANNING AND
HOUSING CONTEXT**

**DEVELOPING &
SHARING PRACTICE
AND
DOCUMENTATION**

TECHNICAL AID

**PRACTICAL
PROJECTS**

Outcomes

Best practice
approaches to
range of
planning and
housing issues;
policy support

Toolkit, documents
, models;
House-types,
specifications

Range of
agencies able
to support
urban and
rural
communities

Worked-
through
examples on
ground of CLT
projects in 4+
localities

Work needed

Developing
models with
HC,EP,local
authorities;
sharing;
promulgating;

Toolkit,
CLT Portal
House-type
development

Developing
capacity of
new agencies
+ their "trade
association"

Technical aid at
local level;
policy support

Policy and good practice supports more projects

Holsworthy Devon

- Housing needs survey shows need for affordable homes in and around Holsworthy
- Four people establish CPT to develop properties for 8 parishes
- Initial grant support
 - £40k Second Homes Tax
 - grant from charities
 - used to meet architectural and legal fees
- First scheme: 5 flats over supermarket to be purchased on completion
 - must be able to guarantee purchase to developer even if residents not all in place
 - affordable through s106 agreement requiring affordable homes provision
- Second schemes: 3 part-equity “do-it-yourself” shared ownership
- Planned schemes
 - 15 homes on local authority garages site in village
 - 10 homes on backland set aside when council homes built
- Widen membership to increase accountability and involvement



Buckland Newton Dorset

- **Housing needs survey shows need for 16 homes**
- **CLT as charitable CLG established to hold parish land**
 - site identified after several attempts (AONB)
 - group formed from village meeting
- **Initial technical aid**
 - £7.5k grant cost of setting up CLT (£1k) and initial design
 - further £25k loan for detailed design and planning approval
- **WDDC development funding**
 - planners refused mortgagee in possession clause
 - 70% could have been borrowed but WDDC decided direct lending easier
- **Tenure**
 - 8 part-equity with small (1% of unsold element) rent
 - 2 rent-to-equity
- **Allocations policy agreed**
 - applicants must be on LA list
 - BNCLT allocate: WDDC right of veto
 - But WDDC support principle of local involvement
- **Mortgages**
 - 3 lenders in place aware of conditions
 - none have yet agreed link to wages not values
- **Long term, low start finance**
 - Charity Bank @ 6.5%
 - interest only paid initially
- **Local builder to keep cost down**
 - Pulled out just before start on site
 - £200k gap: to be plugged by WDDC and HC equally



Chipping Lancs

- **Housing needs survey shows need for 30 homes**
- **Brabins Trust existing almshouse charity setting up new CLT with Brabins and other representation**
- **Initial technical aid**
 - Support from Great Places Housing Group for pre-development costs
- **Further finance**
 - GPHG offer of development finance and long term finance
 - Development support
- **Site**
 - Existing gardens + former village hall site before new one built
- **Support from Ribble Valley**
 - Agreed allocation policy
 - Exception planning policy
- **Viability**
 - Also needs HC support



Some outstanding issues

- Leasehold Reform Act reform
- Definition of CLT to assist promotion, relationship with local plans, HC funding etc.
- Facilitation Fund being set up (in place end July?)
 - pre-development finance
 - development finance (if banks limit to 70%)
- Bridging viability gap
 - Probably easier for part-equity @ <£25k/home
 - In dialogue with Housing Corp on rules
- Affordable workspace/community space
 - Need to be debt free but no grant regime (RDAs?)
- Income vs individual benefits conflict

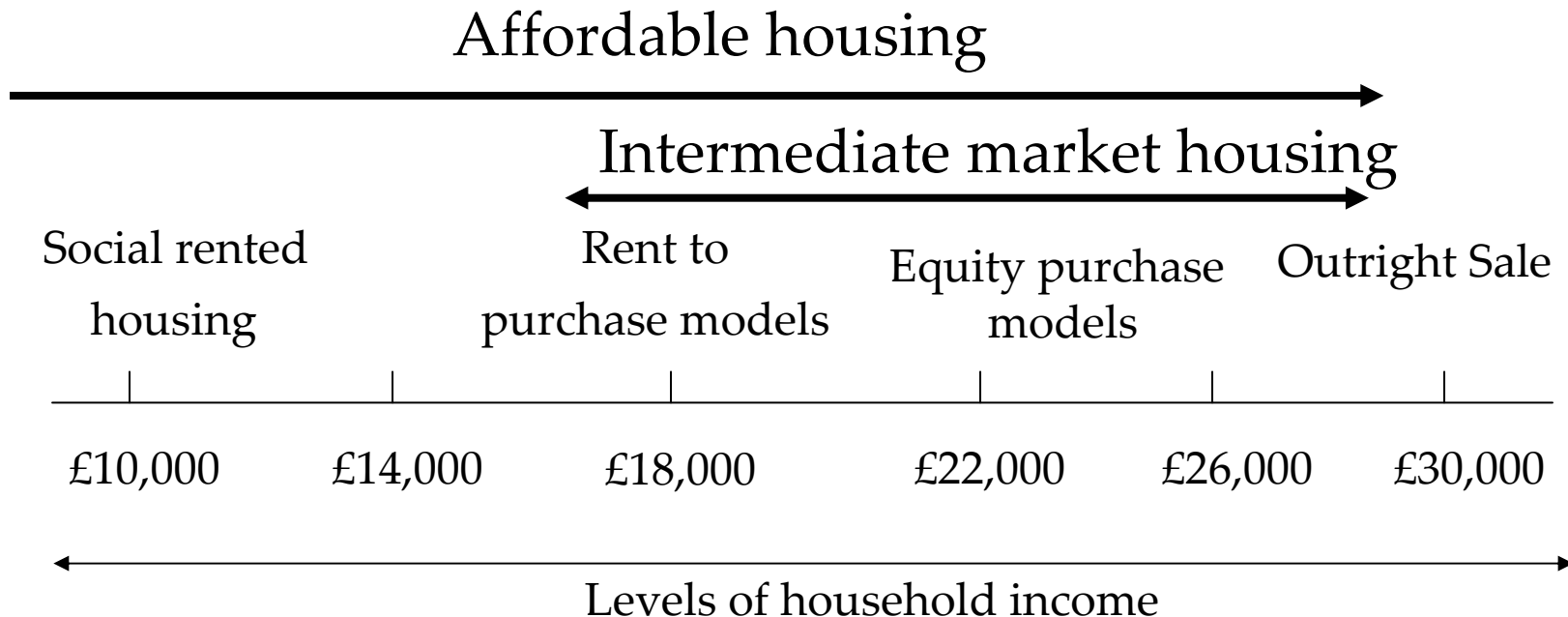


Workshop discussion requirements of CLT schemes

- Interested communities
- Support from local authority
- Land and buildings
- Community-controlled legal entity
- Affordability*
- Needs: for affordable housing, workspace, community space, shop etc*
- Development
- Finance
- Perpetuity*
- Long term viability
- Support – parish*, CFS, HA, DT, CC, RSL?

Intermediate Market Housing

Affordable housing is often mistakenly equated to rented social housing but also includes the 'intermediate market' where there has been an increasing gap as shown in the diagram below



Matching cost and incomes

- Housing affordability works best with part-equity/rent mix
 - Low cost build essential

	2-bed	3-bed	4-bed	Totals
	7	2	1	12
m2	75	90	110	
Mortgages people can afford (£)	55,000 65,000 70,000 90,000 120,000	60,000 70,000	90,000	620,000
What CLT can afford to borrow (£) - on part-equity				100,000
What CLT can afford to borrow (£) - for rented homes	65,000 x 2			130,000
Cost target for affordability (£)	539,000	75,000	110,000	850,000
Actual all-in costs	106,500	118,000	125,000	1,110,000
Grant needed				260,000

Aspects of perpetuity

■ Housing tenure

- Declaration of Trust lease provides interim solution
- changes to Leasehold Reform Act needed
- rent-to-equity option
- normal assured tenancies

■ “Permanent affordability”

- avoid leasehold enfranchisement
- purchaser receives original share and share of growth in value
- aim to enable purchase cost to remain as same % of average salary as today (share in growth in value could be % or related to wages)
- mortgage lenders still to be persuaded

■ Governance

- reliance on more than few individuals
- succession strategy

■ Finance

- need for dowry; and sources of revenue

■ Umbrella CLT support



Assets as component of sustainable rural communities?

- Opportunities of new planning framework?
 - Community Plan and parish plans state needs
 - Local Development Framework explains how planning system will respond
- Affordable housing schemes
 - Already successfully rescued village shop
 - Encouraged report by University of Plymouth on housing needs
 - Set up affordable housing working group to identify sites and liaise with planners
 - Finally obtained agreement to proposed exception site
- Affordable workspace
 - Foundation East
 - Ivybridge
 - High Bickington proposal
- Renewables
 - Energy for All local wind-power schemes
 - Renewables (e.g. ground source, woodchip) in housing, workspace schemes
- Community and meeting space
- Community shops
- Community agriculture
- Care coops

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Community meeting centres

- CLTs, development trusts..?

■ Devon

- Ockment Centre: former school used to provide IT centre, meeting space, social space, creche plus excellent local food
- Moorhayes Community centre, Tiverton: main hall, meeting room, kitchen, MUGA, football pitch
- Ivybridge Town Council: £4m multi-use business centre, library, events space, meeting space
- Exeter Community Centre (failed Quirk pilot...)

■ Lancashire

- Redundant schools used to provide community meeting venues for public private voluntary sectors: business breaks even if rental income meets running costs
- Redundant church (Preston) run by community organisation as sports centre: commercial revenue plus community revenue

■ Leicestershire coalfield village companies:

- Tourist information centre/community centre
- Fish & chip shop
- Small businesses

Role of parish council

- **Newton & Noss**
 - Already successfully rescued village shop
 - Encouraged report by University of Plymouth on housing needs
 - Set up affordable housing working group to identify sites and liaise with planners
 - Finally obtained agreement to proposed exception site
- **High Bickington**
 - Were offered former county farm for practical community planning exercise
 - Set up High Bickington 2000 to explore options at arm's length
 - Proposed affordable housing, workspace, school, community building, woodland, renewables
 - Given permission; called-in; refused – but they've not given up!
- **Ivybridge**
 - Identified town centre revival as key action
 - Secured £3.3m external funding; raised £700k from PWLB paid from parish rate
 - Building complete providing library, IT, tourist information, "one-stop shop", meeting and conference spaces, performance space, business centre and starter units
- **CLT as the implementation arm for the parish plan?**
- **More opportunities with "well-being power"**
 - Enabling funding e.g. for pre-development
 - Long term funding



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Summary

- CLTs can offer
 - community empowerment
 - potential for local action
 - asset holding bodies, delivering benefits in perpetuity
 - delivery vehicle for Community Plans/Local Area Agreements
 - bottom-up solution where top-down can't reach
 - small scale innovators
 - local materials; housing for employed people; new part-equity and rent models
 - providers of intermediate market housing
 - providers of affordable workspace, community space green space
 - holistic, "sustainable community" approach



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Sources of support

- Supportive RSLs
 - development expertise
 - finance expertise and access to low cost borrowing (£60b assets)
 - some retain strong neighbourhood and community focus
 - HC encouragement as 'community anchor' organisations
- Development Trusts
 - development and finance skills; but only rarely affordable housing
- CFS
 - toolkit
 - website www.communitylandtrust.org.uk
 - www.clt-conference.co.uk
 - network: <http://www.talk.communitylandtrust.org.uk>
- Regeneration agencies, LSPs, others?

