

## BABERGH DISTRICT COUNCIL

<b>From: Head of Economy</b>	<b>Report Number: N133</b>
<b>To: Strategy Committee</b>	<b>Date of meeting: 10 April 2014</b>

### MEMBERSHIP OF LAVENHAM COMMUNITY LAND TRUST STEERING GROUP

#### 1. Purpose of Report

- 1.1 The purpose of the report is to gain approval for two of the Council's officers to become members of the Steering Group for the newly formed Lavenham Community Land Trust (LCLT).
- 1.2 The report sets out what a CLT does and how it works, and also what the Lavenham CLT Steering Group hopes to achieve.

#### 2. Recommendations

- 2.1 That the Corporate Manager – Strategic Housing and the Communities Officer – Enabling be appointed to represent the Council in an advisory capacity on the Lavenham Community Land Trust Steering Group.

#### 3. Financial Implications

- 3.1 None.

#### 4. Risk Management

- 4.1 There are no key risks.

#### 5. Consultations

- 5.1 Lavenham Parish Council is working on the preparation of a Neighbourhood Plan for its area. As part of this plan work, the Parish Council has carried out several community consultation events and sent out questionnaires to all households to find out what the priorities are for the local community. One of the highest identified needs is for more affordable housing in the village. A Local Housing Needs Survey was completed in 2010 and will be updated this year to ensure the latest needs data is available to support the work of the Parish Council and Babergh District Council to meet the affordable and wider housing needs of the Parish.
- 5.2 A Member Briefing presentation on Community Land Trusts was delivered on 25 March 2014.

#### 6. Equality Analysis

- 6.1 An Equality Analysis has not been carried out at this stage.

## **7. Shared Service / Partnership Implications**

- 7.1 The LCLT is the first CLT in Babergh or Mid Suffolk and so would be an excellent opportunity to work on this as a pilot for the area and a learning opportunity to pass on to other interested Parish or Town Councils.
- 7.2 It will also provide Council officers with the opportunity to provide direct support and guidance to the rest of the Steering Group and forge stronger links with the local community.

## **8. Key Information**

- 8.1 There are a number of benefits to setting up and running a CLT:
- CLTs are locally driven, controlled and democratically accountable
  - CLTs can meet local housing need even in areas with very high house prices
  - CLTs, by retaining an equity share in each property, provide housing that is permanently affordable, benefitting many generations of residents
  - CLTs give the community an asset for the future
  - CLTs genuinely empower local communities, where communities are part of the vision and solution for their local area.
- 8.2 There are a number of possible sources of land. A CLT may:
- Receive public land at little or no cost;
  - Purchase a rural exception site at about agricultural value;
  - Acquire a site at open market value, through access to grant funding or community share issues;
  - Already own a site that is permitted for development.
- 8.3 Lavenham PC during their neighbourhood planning works has been approached by a willing land owner who is prepared to work with the PC to bring forward the site for affordable housing and some eco-build units.
- 8.4 The Parish Council decided to form a Community Land Trust and has asked Hastoe Housing Association to assist with the scheme and apply for Homes and Communities Agency grant to help deliver the scheme, once the detail has been worked up ready for a planning application.
- 8.5 Lavenham Parish Council has been able to raise the £5,000 required to formally set up and register as a CLT with grant contributions from Babergh Community funding, Foundation East, Suffolk County Council Locality funding and the shortfall met from Parish Council funds.
- 8.6 The Corporate Manager – Strategic Housing and Communities Officer (Enabling) have both worked with Lavenham Parish Council over the last few years in enabling the delivery of affordable housing and community rights advice. The LCLT has formally asked for both officers to become part of the CLT Steering Group.

## 9. Appendices

Title	Location
(a) Community land Trusts in a Nutshell	Attached
(b) Community land Trust funding model	Attached

## 10. Background Documents

10.1 None.

Authorship:  
Julie Abbey-Taylor  
Corporate Manager – Strategic Housing

01449 724782  
Julie.abbey-  
taylor@midsuffolk.gov.uk

# Community Land Trusts in a nutshell



*'We've lost  
our local  
post-office'*

*'Young families can't  
afford to stay in the  
neighbourhood'*

*'Our local  
pub has had  
to close'*

*'We need housing  
that is permanently  
affordable, not just for  
one generation'*

Sound familiar?

A CLT may be the answer...

# What is a Community Land Trust (CLT)?

A CLT is a non-profit, community-based organisation run by volunteers that develops housing or other assets at permanently affordable levels for long-term community benefit.

It does this by separating the value of the building from the land that it stands on and, in the case of shared-equity homes, fixing the resale percentage. The CLT holds the asset in trust for long-term community benefit.

## Diverse sector but common aims

CLTs range in size, can be rural or urban and provide a variety of housing tenures as well as other community facilities, including workspaces, energy generation, community food and farming.

They take a variety of legal forms, although a CLT is usually constituted as an Industrial and Provident Society or Company Limited by Guarantee, and may or may not have charitable status. CLTs are legally defined in the Housing and Regeneration Act 2008, Section 79.

Despite the diversity in the sector, CLTs tend to have in common the aims of:

- Meeting local housing need
- Providing long-term community benefit.

## Why set up a CLT?

There are a number of benefits to setting up and running a CLT:

- CLTs are locally driven, controlled and democratically accountable
- CLTs can meet local housing need even in areas with very high house prices
- CLTs, by retaining an equity share in each property, provide housing that is permanently affordable, benefitting many generations of residents
- CLTs give the community an asset for the future
- CLTs genuinely empower local communities, where communities are part of the vision and solution for their local area.



# Frequently asked questions

## How do you set up a CLT?

A good place to start is to check out the CLT step by step guide, found on the National CLT Network website: [www.communitylandtrusts.org.uk](http://www.communitylandtrusts.org.uk). A summary of the key steps involved are set out below, although they will not necessarily be taken in this order:



## How does a CLT get hold of land?

There are a number of possible sources of land. A CLT may:

- Receive public land at little or no cost;
- Purchase a rural exception site at about agricultural value;
- Acquire a site at open market value, through access to grant funding or community share issues;
- Already own a site that is permitted for development.

# How does a CLT get funding?

## There are a number of sources of pre-development funding:

- **CLT Fund:** (see [www.cltfund.org.uk](http://www.cltfund.org.uk))
  - **Feasibility Fund:** one day consultancy support and guidance for a fledgling CLT by a CLT expert
  - **Technical Assistance Fund:** grants of up to £2,500 for up to five days consultancy assistance to develop the initial ideas into a business plan that is investment ready
  - **Investment Fund (for charitable projects only):** Pre-development finance to cover tasks like conducting site surveys, employing the design team and obtaining planning permission
- **Local authorities:** some may be able and willing to support pre-development costs
- **Parish council precepts** could be a potential source of funding

## Development finance sources include:

- **CLT Fund:** Investment Fund (charitable projects only): capital loans to top up commercial development financing already secured
- **Local authorities:** local authorities have the power and may be willing to provide development finance, be that through a capital grant, revolving loan or deferred interest payment upon completion
- **Ethical lenders:** Ethical lenders may be sympathetic to providing loans to CLTs
- **Homes and Communities Agency (HCA) grant:** The HCA have supported some CLT schemes to date and the Affordable Homes Programme Framework 2011-15 gives CLTs the option of either joining a Consortia of Registered Providers or applying independently for grant to deliver schemes that meet certain criteria, including value for money

For the latest on funding opportunities visit: [www.communitylandtrusts.org.uk](http://www.communitylandtrusts.org.uk)

## Can a CLT partner with a housing association?

Some of the most successful CLTs have benefited from partnering with a not-for-profit housing association to develop and manage their homes. There are a number of ways that a CLT can partner with a Housing Association. For more advice please contact the National CLT Network.



# What support is available?

The National CLT Network provides resources, training, events for CLTs – visit the website [www.communitylandtrusts.org.uk](http://www.communitylandtrusts.org.uk) or contact the Network on [clt@housing.org.uk](mailto:clt@housing.org.uk) or 020 7067 1191.

There are a number of sub-regional support bodies or umbrella CLTs that can provide technical advice and support to a CLT:

## South-West

- **Cornwall**  
Cornwall CLT  
Alan Fox, [alan@crha.org.uk](mailto:alan@crha.org.uk) or tel 01208 892005
- **Devon, Dorset and Somerset**  
Somerset, Dorset and Devon CLT Project  
Steve Watson, [steve.watson.cltproject@gmail.com](mailto:steve.watson.cltproject@gmail.com)
- **Wiltshire**  
Wiltshire Rural Housing Association  
Rose Seagrief, [rose@wilsthireclt.org.uk](mailto:rose@wilsthireclt.org.uk) or tel: 01380 850916
- **Gloucester**  
Gloucestershire Land for People Ltd  
[info@gloucestershirelandforpeople.coop](mailto:info@gloucestershirelandforpeople.coop) or tel: 08453 457 599

## East Anglia

- **Suffolk, Cambridgeshire, Bedfordshire, Hertfordshire and Essex**  
Foundation East,  
Phil Rose, [phil@foundationeast.org](mailto:phil@foundationeast.org)

## North-West

- **Cumbria**  
Cumbria CLT project  
Andy Lloyd, [andy@crht.org.uk](mailto:andy@crht.org.uk) or 01768 210265



# Join the National CLT Network

The National CLT Network supports and promotes the work of CLTs. The Network is a membership body and is open to emerging CLTs, fully-fledged CLTs and organisations and individuals with an interest in the sector from across the United Kingdom.

Being a member of the Network entitles you to a number of benefits that are invaluable to delivering a CLT. For more information see the National CLT Network website:

[www.communitylandtrusts.org.uk](http://www.communitylandtrusts.org.uk)



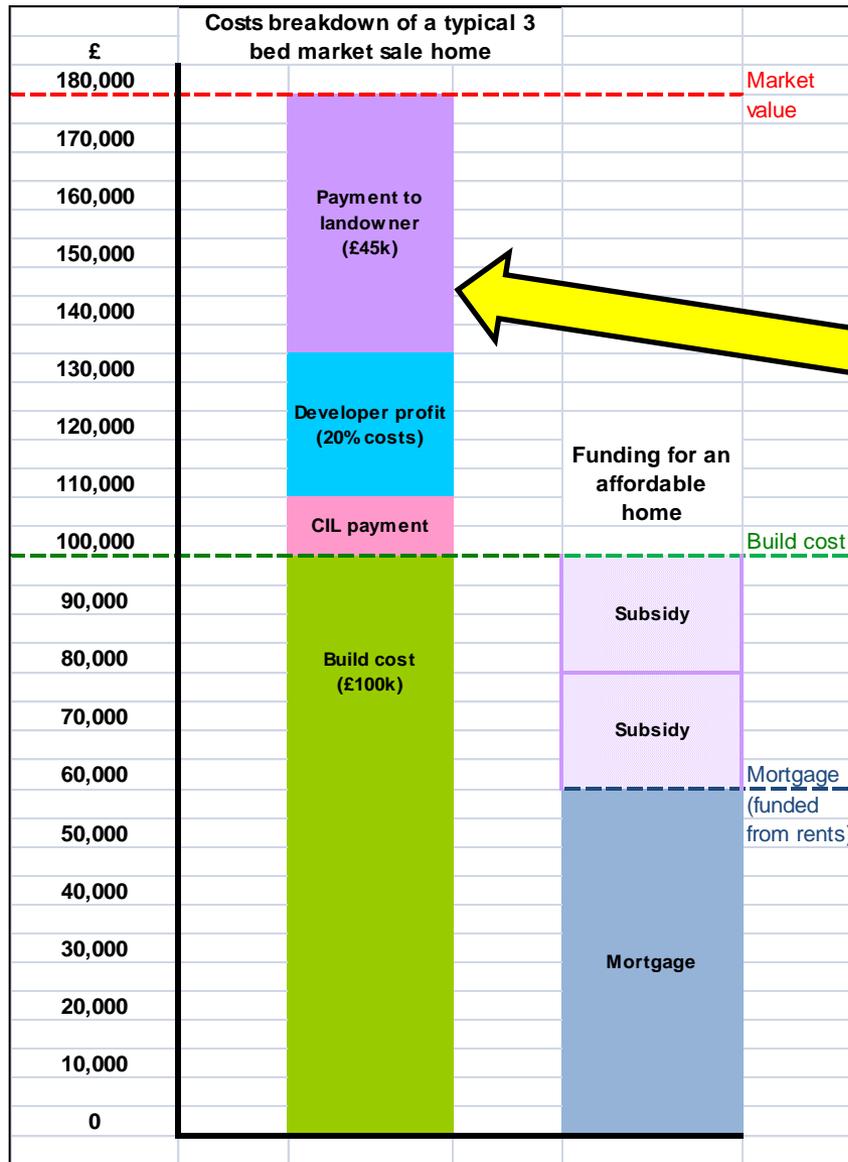
## Contact the National CLT Network

[www.communitylandtrusts.org.uk](http://www.communitylandtrusts.org.uk)

[clt@housing.org.uk](mailto:clt@housing.org.uk)

0207 067 1191

# How do we make the CLT Homes affordable?



The CLT can fund the cost of the affordable homes if the landowner gives CLT free land and:

- i) Subsidy is received from the landowner, and / or
- ii) Subsidy is received from government grants.

If a Housing Association was delivering the homes it would also receive free land and would fund the affordable homes in broadly the same way.

## Notes to graph:

- Costs / values are based on typical 90sq.m 3 bed home;
- Mortgage based on affordable rents at £130 per week (80% of market rents);
- £130 per week is currently affordable to around 70% of intermediate housing applicants;
- Household income of £20,000 is required to afford £130 per week (1/3<sup>rd</sup> monthly income).