

Wessex Community Land Trust Project

A Community Land Trust in Newton St Cyres

Introduction

The Wessex Community Land Trust Project (WCLTP) is an advice service for communities interested in leading the development of affordable homes for local people by setting up a Community Land Trust. The Project was established in 2010. The WCLTP has worked with nearly 50 CLT projects over the past 9 years, 16 of which are complete, the rest being in the pipeline: <https://wessexca.co.uk/community-led-housing/projects/>

A Community Land Trust (CLT) is a not-for-profit organisation created to benefit the community by owning and sometimes developing land and property. A CLT must hold its assets for the benefit of the community in perpetuity and membership is open to anyone supporting its aims. The community can be defined in whatever way seems most natural; often one parish but sometimes two or even, say, the catchment area of a school.

Alison Ward and Steve Watson of the WCLTP, along with Andrew Wiles and Stewart Wass of Brampford Speke, Upton Pyne and Cowley CLT, attended a meeting with Newton St Cyres Parish Councillors to explore options for delivering community led affordable housing for local people in Newton St Cyres on the 15th August 2019, presenting the experience of the WCLTP and discussing the options available to the community in setting up a local CLT to deliver a project of affordable homes for local people in Newton St Cyres.

Background to the Wessex CLT Project

The WCLTP is supporting communities to establish and develop CLTs across Somerset, Devon and Dorset. WCLTP supports projects for their duration; usually 4-6 years from inception to completion. This support includes advice on site finding and negotiation, on legal structures and legal advisers, on the selection and role of a HA-partner, on the facilitation of public meetings and steering group meetings, on model documentation, and on grant applications, project planning, training for CLT members, and networking with other CLTs: <https://wessexca.co.uk/community-led-housing/>

CLT-led affordable housing projects

There are broadly two different approaches to providing affordable homes through a CLT: the **standalone approach** where the CLT takes on all the risks and responsibilities itself and receives the full income from the properties; and the **partnership approach** where the CLT works with a HA, taking very little risk but leading the project as set out below. Either approach can be supported by WCLTP.

Most of the communities currently supported by WCLTP have adopted the partnership approach. If entering into a partnership, the CLT becomes the freehold landowner and enters into a long-term (125-year) lease with the HA. The HA takes all the risks and responsibilities involved in developing, financing and managing the scheme. The CLT does not have any onerous responsibilities (such as appointing builders or raising finance) but leads on the

search for a site, agrees the number of homes to be built, consults with the wider community, commissions professional advisers to prepare a planning application, signs-off the criteria for allocating the homes to local people, and selects a suitable HA-partner. It also becomes a party to any planning agreement governing the allocation of homes to local people and verify the stated local connection of potential residents. The CLT receives index-linked ground rents from the HA, equivalent to £4/week/home or just over £2,000 per year for, say, 10 affordable properties. The CLT may also have an option to buy the HA out of its lease at some point in the future; for instance, if it wished to benefit from the full rental income and could raise the necessary funds.

Costs to the CLT

Irrespective of whether a community takes the partnership or standalone approach, grants are available to meet the costs of incorporation, legal services and the professional advice involved in commissioning architects etc to carry out feasibility work and make a planning applications.

Regarding the cost of WCLTP's support, we are currently creating a new programme in response to increasing demand from community groups in Devon, Somerset and Dorset. The cost of our support for each project in this new programme will need to be met by grants supplied either a local authority partner or by Homes England (the Government agency for funding affordable housing in England.) As a condition of such funding, WCLTP is expected to generate an income from successful projects in order to enable future projects to be supported without grant. Where projects are procured through partnerships, cost recovery is through the HA (as the party with the capital funding) at the rate of £3,000+VAT per home. For projects led by a standalone CLT, cost recovery is through the CLT, capitalised as part of the development finance. Community groups can stop working on a CLT project and with the WCLTP at any point, and this would be reflected in any funding arrangement (so by securing funding there is no obligation on any community to progress a project if the community decide not to continue with this for any reason).

A Newton St Cyres CLT could be established as an independent entity, or could be a project within Brampford Speke, Upton Pyne and Cowley CLT. Either way the WCLTP could provide a full level of support at the costs outlined above. This is because the model of support that the WCLTP provides is start to finish, and the amount of work involved in supporting each project is very unpredictable in the beginning. WCLTP advisers are happy to discuss all options with an emerging CLT steering group with no obligation in the first instance.

Next Steps

The suggested next steps are as follows:

- For Newton St Cyres Parish Council to consider whether it supports the establishment of a CLT for Newton St Cyres in principle.
- If so, for the Parish Council to host a public meeting to make the wider community aware of the CLT, to gather support and recruit volunteers for an initial steering group. This steering group can consider whether the CLT should be an independent legal entity set up to benefit Newton St Cyres, or be part of an expanded Brampford Speke, Upton Pyne and Cowley CLT (expanded to include a larger area of benefit) and the level of support required from the WCLTP.

Alison Ward - August 2019

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