Community Land Trusts: Enabling Affordable Housing

NORTH NORFOLK DISTRICT COUNCIL OFFICES
FRIDAY 4TH NOVEMBER 2016
Welcome

COUNCILLOR JOHN REST
NORTH NORFOLK DISTRICT COUNCIL
Community Land Trusts: Delivering a Solution

DEBBIE WILDRIDGE
COMMUNITY & BUSINESS DEVELOPMENT MANAGER, CLT EAST / PALACE GREEN HOMES
Community Land Trusts
Delivering a solution

Debbie Wildridge
Community & Business Development Manager
CLT East
Palace Green Homes
4th November, 2016
The problem

Rural areas: even more of a problem!

250,000
NEW HOMES NEEDED EVERY YEAR

119,000
HOMES WERE BUILT LAST YEAR
Why is community-led development an answer?

- Projects driven by local communities can:
  - Address specific local issues with ‘right for place’ solutions
  - Overcome objections to planning
  - Deliver additional growth

- Community ownership of assets can:
  - Create income streams for local re-investment and long term enduring change
  - Build resilient communities with capacity to respond to future challenges
What is a CLT?

Creating the conditions in which CLTs can thrive

* More CLTs
* Fit-for-purpose CLTs
* CLTs are properly resourced
* Framework for sector development
* Quicker delivery
* Stronger proposals

CLTs creating positive outcomes

* Additional local growth
  * More houses
  * More jobs
* Energised and resilient communities
  * Community owned assets
  * Local decision-making
Delivery of affordable housing through Rural Exception Policy had been limited

- Development sites unpopular with ‘locals’ seen as being done unto
- Communities across the district shared similar problems
- Keen to facilitate but NOT control
EAST CAMBS TRADING COMPANY - KEYS TO SUCCESS

500 CLT HOMES

FAVOURABLE PLANNING

POLITICAL SUPPORT

ACCESS TO LAND & FINANCE
EAST CAMBRIDGESHIRE – ACTIVE COMMUNITIES

Existing CLTs – Homes under construction
• Stretham (75 homes – 23 affordable)
• Swaffham Prior (20 homes - 8 affordable)
• Soham (13 homes – 8 affordable)

Existing CLTs – Call for land stage
• Witchford
• Ilburton
• Haddenham

Emerging CLTs – Legal set up stage
• FWordham
• Kennett

‘Opportunity areas’
• Ely
• Littleport
• Little Thetford
• Wicken
• Burwell
• Bottisham
• Swaffham Bulbeck
• Dullingham
CLTs in East Anglia

- Lavenham CLT
- Kennett CLT
- Fordham CLT

Streatham & Wilburton Community Land Trust

In formation:
- Kennett CLT
- Fordham CLT

Witchford CLT
Community Land Trusts and Housing Associations

JOHN LEFEVER
REGIONAL HEAD OF DEVELOPMENT, HASTOE GROUP
Community Land Trusts: Enabling Affordable Housing

CLT’s and Housing Associations

By

John Lefever
Regional Head of Development

Hastoe Group
Hastoe overview

Found in over 200 villages

What House Sustainable Housebuilder of the Year 2013
Protecting the climate and addressing rural fuel poverty

**Passivhaus**
- Carbon emissions approx 10% UK average
- Fuel bill 3 bed house £125 pa
- Highly insulated, high performance doors/windows, minimal thermal bridging, reduced water usage
- Mechanical ventilation with heat recovery

**Straw bale homes**
- 60% reduction CO2 emissions
- Insulation 3x more than building regs
- Fire resistance 2x required
Hastoe overview

• 50 years old
• Over 7,500 homes
• Working in more than 70 local authorities
• East team delivered over 1200 new homes in last 5 years
• Subsidiaries:
  – Hastoe Wyvern
  – Sustainable Homes
Hastoe’s Vision

Sustainable homes and sustainable communities

Rural communities
Innovation
Environmental sustainability
What is a Community Land Trust?

1. Not-for-private-profit organisation set up to benefit a specific community.

2. CLTs can own land and other assets which are important to a community – with an emphasis on affordable housing.

3. CLTs hold those assets so that they are available and affordable for future generations.

4. A CLT is open to membership by anyone in the community supporting its aims.
Emerging CLT Network
Trust and Association: Guide to delivery options

http://www.communitylandtrusts.org.uk/resources/publications
COMMUNITY LAND TRUSTS

LOCALISM IN ACTION

“This community led bodies exemplify the localist agenda the Government is actively promoting”
- DCLG
Forming a CLT
Where do you start?

• Identify an objective
• Mobilise members of the community
• Form a Steering Group
• Scope out the project
• Form legal entity
• Engage with stakeholders
• Progress with the project

Hastoe Group
Benefits - CLT

• Very low risk
• Freehold ownership in perpetuity
• An income from ground rents
• The option to buy the HA out of its lease
• The opportunity to establish a CLT for other projects
• Signatory to Section 106 Agreement
• Influence over development process
• Influence over occupancy
• No need to raise capital – only small sums for legals
• Control of local communications
• No onerous time commitment where CLT support services are involved
Benefits - RP

- Strong advocacy of the project by the CLT
- Allows the development team to focus on delivery
- Extensive local knowledge saves time and expensive mistakes
- Enthusiastic support from local authorities
- An authentic role in building community resilience
- Scheme accurately reflects the needs of the local community
- Access to additional grant
- Reputational and management benefits
- The ground rent to CLTs has a negligible effect on borrowing capacity and the lease provides sufficient loan security
- No onerous time commitment where CLT support services are involved
Options for Delivering Affordable Homes through a CLT

1. Stand-Alone CLT
2. CLT/RP Partnership
Legal options for a CLT

• Community Interest Company
• Charitable Company
• Community Benefit Society
What kind of assets can a CLT own?

Anything that is important to a community ...

- Land
- Homes
- Pub
- Shop
- Community Centre
- Library
- Café
- Playing Fields
- Orchard
- Gardens
- Historic Buildings
- Car Park
- Workshops
- Hydro-power
- etc!
COMMUNITY LAND TRUST

1. CLT purchases freehold of land

2. CLT leases land to HA

3. HA reimburses CLT for land cost

4. HA finances, builds and manages homes

5. HA pays ground rent to CLT

6. CLT is a signatory to Section 106 Agreement

7. CLT can break lease with HA

Partnership Agreement

HOUSING ASSOCIATION
Future options?

COMMUNITY LAND TRUST

- VILLAGE SHOP
- VILLAGE PUB
- COMMUNITY FARM
- RENEWABLES ENERGY

HOUSING ASSOCIATION PARTNERSHIP

MORE HOUSING
The rural community led development model if not via CLT

1. Community identifies need and asks for assistance

2. Needs assessment and site options appraisals

3. Iterative design process in partnership with community

4. Planning and construction

5. Scheme opening. Neighbouring communities ask for help too
Any Questions

Please be kind - only easy ones
Thank you
Developing Community Land Trusts in Norfolk

JOHN MATHER
FACILITATOR, LINCOLNSHIRE COMMUNITY LAND TRUST
Developing Community Land Trusts in Norfolk
CLTs Nationally 2010
CLTs Nationally 2013
CLTs Nationally 2016
LCLT

• Non-profit Community Interest Company
• Set up 2011
• 5 CLTs created: 3 in Lincs, 2 in Derbys
• 10 Methodist Churches
• 3 Parish Councils
Options for delivering affordable homes through a CLT:

1. Stand-alone CLT
2. CLT/Housing Association partnership
3. CLT/Private Developer
Options for CLT to deliver affordable homes

1. A stand alone CLT
   
   • Raises all the funding
   • Manages the build contract
     – Tender
     – Design
     – Quality control
   • Provides the management
   • Takes all the risk; potential for greater returns
Option 2 - Partnership between CLT and Housing Association

Minimises the risks carried by the CLT; modest returns
Option 3 – CLT/Private Developer

• CLT negotiates with landowner/developer
• Can broker community support
• Negotiates acquisition of affordable units
• Neighbourhood Plan can help
• LA policies crucial
• Uncertain effect of Starter Homes
Bradwell

Neighbourhood Plan

12x s106 homes + employment units
CLTs and Right to Buy

Registered Provider CLTs
• Exempted from HA RtB

CLT/RP Partnerships
• Lease can provide a wrapper against HA RtB

RPs as managing agents?
• Occupants are tenants of the CLT – no RtB

Why does this matter?
• Supply of Rural Exception Sites
Community-Led Capital funding

• Spring 2016 Budget

  – £60m for “...additional residential properties to enable community-led housing developments, including through Community Land Trusts, in rural and coastal communities where the impact of second homes is particularly acute.” HM Treasury

• Details pending...
Not just affordable housing

Community Land Trusts can do anything that is important and benefits the community

Beach Huts?  Pubs  Allotments  Play Areas
How does Lincolnshire Community Land Trust support communities?

• Technical advice and support
  – Legal structures
  – Set up funding
  – Business Planning
  – Accessing Homes and Communities Agency funding
  – Knowledge and experience of delivering affordable homes

• Project co-ordination for CLT and HA

• Links with other CLTs and practice from other parts of the country

• Various charging models
National CLT Network

• Membership Organisation
• Lobbying Government to promote policies that support CLTs
• Start-up funding available through the CLT Fund

• www.communitylandtrusts.org.uk
John Mather
Facilitator
www.lclt.co.uk
johnm@lclt.co.uk
07598 176353

Stanley Bett House
Tentercroft Street
Lincoln
Homes for Wells: a Norfolk Case Study

JIM FERGUSSON
TRUSTEE, HOMES FOR WELLS
BRITISH SCHOOL
BUILT BY SUBSCRIPTION, MUNIFICENTLY
AIDED BY THE Countess OF LEICESTER. 1838.

SCHOOL BOARD FORMED
AND Infants' SCHOOL BUILT AND OTHER
BUILDINGS ALTERED. 1875.

BOYS AND GIRLS CLASS ROOMS
BUILT 1899.
Community Land Trusts in Norfolk: the story so far

RIK MARTIN
COMMUNITY ACTION NORFOLK
Group Discussion: next steps?
Closing remarks

COUNCILLOR STUART CLANCY
NORFOLK COUNTY COUNCIL