

Wessex Community Land Trust Project

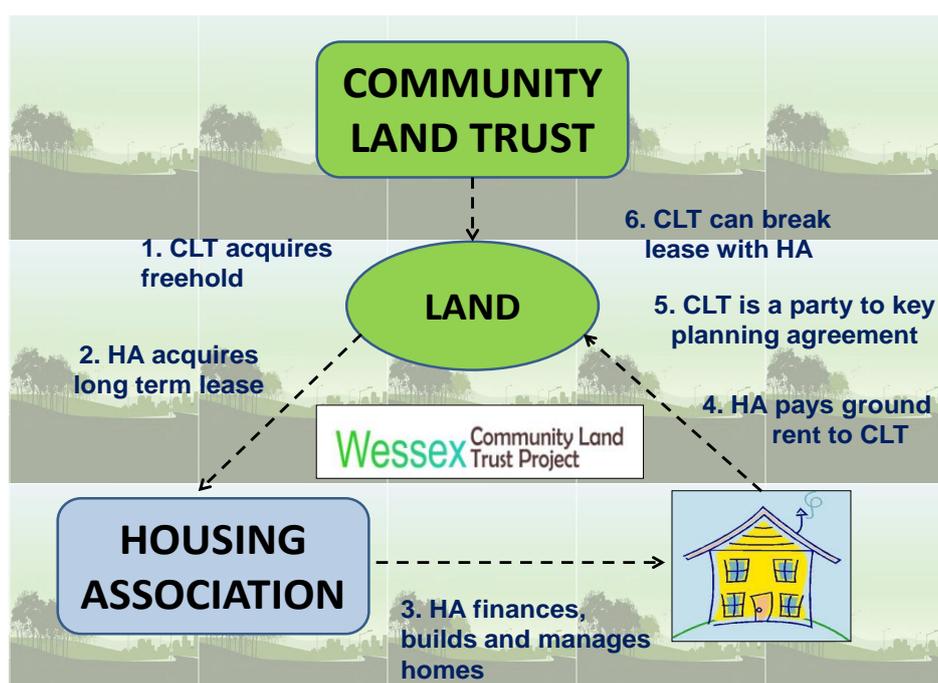
The Wessex Community Land Trust Project (WCLTP) is an advice service for communities interested in leading the development of affordable homes for local people by setting up a Community Land Trust. The Project has been working with communities in Somerset, Devon and Dorset since May 2010 and is managed by Wessex Community Assets, a social enterprise specialising in community-ownership.

WCLTP is currently supporting 16 communities to establish CLTs across Somerset, Devon and Dorset. In each case, the community has chosen to work with a housing association (HA) using a form of partnership developed by WCLTP. This programme is designed primarily to deliver homes for rent for local people (because these are the properties most in demand) although some shared ownership properties are also being provided. One of the attractions to communities is that this approach is relatively low-risk.

WCLTP oversees the entire process: presenting to public meetings, advising on how to establish a CLT, helping to identify sites, agreeing terms with landowners, attracting the necessary funding, helping with the selection of a HA partner, advising on the recruitment of members, and generally taking the scheme forward. The Project also works with CLTs to identify any future projects because, having established a CLT, most communities would like to use it for other activity – most commonly to save a pub or shop. If no projects are identified now, then it provides a ready vehicle for when they might arise. WCLTP is currently funded by a number of public bodies and charities and, in the future, will recover its costs from successful schemes.

Partnerships between CLTs and HAs

Under this form of partnership, the CLT is the freehold landowner and has a long-term (125-year) lease with a suitable HA. The HA takes all the risks and responsibilities involved in developing, financing and managing the scheme.



The CLT receives a ground rent equivalent to £4/week/home or just over £2,000 per year for, say, the 10 properties. The CLT does not have any onerous responsibilities (such as contracting builders or raising finance) but leads on key issues such as the choice of site, the design and the allocation criteria. The CLT also has 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 (in place of the ground rent) and could raise the necessary funds.

Costs

The HA is fully responsible for funding the project, including bidding for capital grants. WCLTP projects have successfully bid for nearly £5m of grant to date. If no grant is available from the HCA, other forms of subsidy can be explored such as grant directly from the District Council or cross-funding from housing for sale.

The only costs for the CLT are the cost of registration (there is a choice of legal formats) and the legal costs involved in purchasing the site, entering into a lease with the HA and negotiating the legal agreement which gives local people priority for the homes. These costs amount to some £5,000. WCLTP works with the CLT to raise these costs from different sources (such as District Councils, Parish Councils and/or the National CLT Fund).

[Note: From 2104, CLTs have been able to attract revenue grants from the HCA; grants which will enable CLTs to appoint pre-development advisers directly. We are exploring the application of these grants to new projects.]

Future Programme

WCLTP is currently considering which projects it will support as part of its next programme of community-led housing projects. Most of these are likely to be CLT/HA partnerships; such is the demand for this approach. As a condition of our first three years of seed-corn funding, WCLTP now recovers its costs from HAs (in the case of partnerships). If no HA should be involved, cost recovery would be through the CLT. Costs are only recovered on successful projects.

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Links:

Wessex Community Assets: <http://www.wessexca.co.uk/projects/community-land-trusts>
CLT Support Services: <http://www.communitylandtrusts.org.uk/resources/Support>
Twitter: <https://twitter.com/#!/WessexCLT>
CLT publications: <http://www.communitylandtrusts.org.uk/resources/publications>

Notes:

WCLTP is supported by the Tudor Trust and Wessex Community Assets (which also manages the Project) and recovers costs from successful projects.

In May 2012, the National CLT Conference made an award to the Wessex CLT Project for "Exceptional support for the sector: For those who have shown exceptional readiness to support and promote the CLT movement, and made great efforts to pioneer new solutions and to address the barriers experienced by CLTs, helping the movement to grow and flourish."

In September 2013, one of our projects - led by Christow CLT - won the Community Council of Devon's rural housing award for most effective community 2013.