

Community Land Trust Business Case (with tracked changes)

OUTLINE

1.0 PROJECT OUTCOME

The key outcome of this project is to increase and diversify the supply of affordable housing in the Cambridgeshire and Peterborough area by enabling new community-led housing groups to come forward and develop.

2.0 PROJECT OUTPUTS

To support the creation of new Community Land Trusts and build a pipeline of community-led housing delivery.

3.0 STRATEGIC FIT

This project is a strategic priority and was included in the Business Plan 2019/20 in September 2019 and the Devolution Deal.

4.0 COSTS

The cost of delivering the Community Land Trust project and the £100K Homes project is estimated to be in the region of £100,000 per annum. This cost is subject to the approval of the Medium Term Financial Plan at Combined Authority Board in Jan 2021, which includes £100,000 for Community Land Trust and £100K Homes projects, and to the further approval of the CLT Business Case at Combined Authority Board.

The estimated cost includes providing technical support to community-led housing groups, branding & promotional materials, and a start-up grant fund of £5000 per group available to emerging community-led housing groups. The cost is notionally broken down as follows:

- £40,000 to be allocated as start-up grant awards to emerging community-led housing groups
- £30,000 to be allocated to Community Land Trust project costs
- £30,000 to be allocated to £100K Homes project costs

This project is still in its early stages and will continue to assess whether further interventions are required. Such expenditure will be subject to the relevant approvals that arise at the time of need.

5.0 SOURCE OF COMBINED AUTHORITY FUNDING

Provision of a £100,000 per annum has been included in the Medium-Term Financial Plan from April 2021.

6.0 PROCUREMENT ROUTE

Not applicable as costs relate to ongoing operational costs (for example staff) and grants of £5,000 per applicant.

7.0 PROJECT PROGRAMME

The work for this project commenced in December 2019 and does not have an end date.

8.0 RISK REGISTER

At this stage in the project high level risks have been identified:

- Lack of interest in community-led housing from local communities

In order to mitigate this risk we will undertake a programme of communication with communities and other stakeholders to increase awareness and understanding of community-led housing.

9.0 EVALUATION METHOD

The success of the policy framework will be measured in the short-term by new Community Land Trusts and other community-led housing groups coming forward. Once the project has been launched to communities Officers will use feedback from the communities and Local Authorities and make the necessary changes or address concerns that have been raised in order to ensure that the community-led homes are delivered.

In the longer-term the success of this project will be measured by successful community-led housing schemes coming forward and new homes being delivered.

10.0 COMBINED AUTHORITY DIRECTOR

The Community Land Trust project falls within the remit of the Housing & Communities Director

11.0 PROJECT MANAGER

The project is being led and managed through special project support via a secondment agreement with a constituent Council.

12.0 OTHER STAFF AND RESOURCES

Technical support will be provided to community-led housing groups by the Community Housing team, which will consist of 1 FTE Community Housing Programme Manager, 1 FTE Community Housing Officer and 1 PTE Community Housing Administrator.

There is a requirement for the Communications Team to assist officers in ensuring positive awareness of community-led housing among communities and Local Authorities.

1.0 COMMUNITY LAND TRUST OVERVIEW

i) What is a Community Land Trust?

Community Land Trusts (CLTs) are one form of community-led housing. They are a way for local communities to come together and establish a not-for-profit organisation to develop, own, and manage assets for community benefit. Other types of community-led housing include:

- Cohousing
- Cooperative housing
- Almshouses
- Group self-build or self-help housing
- Local housing charities
- Development trusts

Community-led housing is defined by three common principles, which have been agreed nationally by community-led housing platforms and endorsed by Homes England and the Ministry for Housing, Community and Local Governance. The three principles are as follows:

- 1) The community is integrally involved throughout the process in key decisions like what is provided, where, and for who. They don't necessarily have to initiate the conversation or build homes themselves.
- 2) There is a presumption that the community group will take a long-term formal role in the ownership, stewardship or management of the homes.
- 3) The benefits of the scheme to the local area and/or specified community group are clearly defined and legally protected in perpetuity.

Whilst not limited to affordable housing, the Community Land Trust model lends itself to the provision of affordable homes that are secured for people with strong local connections to the area in which the homes are coming forward. All assets owned by a Community Land Trust are protected for community benefit in perpetuity via a statutory asset lock. CLTs tend to develop high-quality, design led schemes with high standards of energy efficiency. CLT affordable homes tend to be 'pepper-potted' throughout a development and schemes are often designed to be tenure-blind.

Community Land Trusts are defined in statute. The Housing & Regeneration Act 2008, Part 2, Chapter 1, Clause 79 states that "Community Land Trust" means a body corporate which satisfies the following two conditions:

"Condition 1 is that the body is established for the express purpose of furthering the social, economic and environmental interests of a local community by acquiring and managing land and other assets in order –

- (a) to provide a benefit to the local community, and

- (b) to ensure that the assets are not sold or developed except in a manner which the trust's members think benefits the local community.

Condition 2 is that the body is established under arrangements which are expressly designed to ensure that –

- (a) any profits from its activities will be used to benefit the local community (otherwise than by being paid directly to members),
- (b) individuals who live or work in the specified area have the opportunity to become members of the trust (whether or not others can also become members), and
- (c) the members of the trust control it.”

Condition 1 provides what is known as a “statutory asset lock”. The statutory asset lock protects any assets owned or developed by a CLT for community benefit in perpetuity. Condition 2 ensures that CLTs will always be democratic in nature.

ii) Community-led housing in Cambridgeshire

Cambridgeshire is a nationally recognised leader in the community-led homes sector. There are a growing number of CLTs in Cambridgeshire, as well as Cohousing groups, Co-operatives, self-build groups, and Almshouse charities.

The Combined Authority Community Housing team are currently advising 17 legally incorporated Community Land Trusts. The achievements of these 17 Trusts are:

- 113 completed community-led homes, of which 39 are CLT-owned affordable homes
- 587 community-led homes with planning approval/ on site, of which 183 are affordable
- 181 community-led homes with planning applications submitted, of which 74 are affordable
- Many more in the pre-planning stages

CLTs also deliver community amenities. In Cambridgeshire some of the community amenities that have been or will be delivered include:

- Open green spaces
- Recreational facilities
- Land for new GP surgery
- Community allotments
- Community buildings
- Flexible work units
- Woodland area
- Homelessness provision
- Training and upskilling opportunities for local people
- New school buildings
- Improvements to local infrastructure (roads, train stations)

In the long-term, CLTs will have a consistent income stream which will be further reinvested into the community.

2.0 STRATEGIC CASE

The Housing Strategy (September 2018) recognises that there is a need to deliver genuinely affordable housing across the Combined Authority Area. It further recognises that there is a gap in the market that provides for those who do not qualify for traditional affordable housing and open market housing are out of reach.

Community Land Trusts (CLTs) are referenced as a mechanism that could enable the Combined Authority to make a contribution to meet our housing objectives and respond to demand for cheaper housing for local people. CLTs are referenced as a means not only to deliver genuinely affordable housing but also as vehicles to potentially utilise the mechanism of land value capture.

On 25 September 2019 (Agenda Items 2.1 and 2.2) the Board approved the inclusion of the CLT projects in the 2019/20 Business Plan and further agreed a total budget allocation of £250,000 to jointly progress both the CLT and £100K Home projects.

Community Land Trusts are a mechanism to deliver community-led housing. Community-led housing is an attractive and affordable alternative to conventional housing can be part of the answer; where communities come together to design and build affordable homes for the benefit of local households most in need.

The Combined Authority vision for Cambridgeshire and Peterborough is to have the most advanced community-led housing sector in the UK, where local people in confident, and resilient communities have access to the skills and expertise to create attractive local homes that they can genuinely afford.

Housing plays an important role in the growth of our local economy but across Cambridgeshire and Peterborough, too many young people and families are unable to stay in their communities, close to their place of work, because they cannot access decent housing that they can genuinely afford on their local incomes.

To support the 'scaling up' of community-led housing across Cambridgeshire and Peterborough, the Combined Authority can:

- mobilise public support for new homes;
- widen the range of housing products that are available, including homes for local people that are priced out of home ownership;
- boost community ownership of assets;
- diversify the local housebuilding market, building collaboration, innovation, skills and local supply chains;
- inspire stronger local communities with increased confidence, capacity and control.

3.0 COMBINED AUTHORITY INTERVENTION – FINANCIAL IMPLICATIONS

With an annual budget of £100,000 the Combined Authority will make two key interventions to enable new community-led housing groups to come forward and develop.

i) Start-up grant funding

In September 2020 the Combined Authority established a start-up grant fund of £5000 per group to enable new community-led housing groups to formally establish themselves. This grant fund meets a recently created gap in the market, whereby national start-up grant funding streams for community-led housing groups have come to an end.

Start-up grant funding will enable new groups to come forward, undertake early stage community engagement work, and take the steps required to become a legally incorporated body. All groups obtaining start-up grant funding must intend to deliver affordable housing, and the proportion of affordable homes within the scheme must at least meet local Planning policy.

ii) Technical support

The Combined Authority Community Housing team will consist of 1 FTE Community Housing Programme Manager, 1 FTE Community Housing Officer and 1 PTE Community Housing Administrator. The team will provide technical and enabling support to community-led housing groups through the development journey. The areas in which the Community Housing team can provide support include the following:

Stage	Support Available
Initial Engagement	<ul style="list-style-type: none"> Initial meetings with community members, Local Authorities, Parish Councils and/or Neighbourhood Planning Groups Help to raise awareness and knowledge of community-led housing
Group	<ul style="list-style-type: none"> Group development, recruitment, and governance Legal options Formal project scoping Community engagement throughout development process Business planning Policy creation
Site	<ul style="list-style-type: none"> Finding a site – developing a site brief, investigating options Acquisition and partnership options Valuation, financial feasibility and viability Engaging with Local Authorities
Plan	<ul style="list-style-type: none"> Understanding local planning policy and the National Planning Policy Framework Agreeing contracts Value engineering Build options Scheme design

Build	<ul style="list-style-type: none"> • Contract management • Services provision • Build Expertise
Live	<ul style="list-style-type: none"> • Management – allocations, resales, relationships with housing associations and the local authority • Maintenance

These interventions will enable the Combined Authority to build stronger communities who are equipped to undertake successful community-led housing projects. Once more Community Land Trusts are established the Combined Authority will be able to assess what other interventions are needed to enable the delivery of individual projects. Where necessary and relevant these projects will be subject to a separate business case which will be considered by the Combined Authority Board.

4.0 LEGAL IMPLICATIONS

The Community Housing team are fully indemnified for advice provided.

5.0 GOVERNANCE AND CONTROL

The Community Land Trust will follow the usual reporting requirements for key priorities identified in the 2019/20 Business Plan.

6.0 EQUALITIES AND HEALTH AND SAFETY IMPLICATIONS

Any equalities or health and safety implications will be addressed as they arise in the implementation of the business plan.

7.0 PARTNERSHIP WORKING

- i) Eastern Community Homes

The Cambridgeshire & Peterborough Combined Authority is committed to working with relevant partners in the community-led housing sector. The Combined Authority is working in close partnership with the regional community-led housing Hub in the East of England, Eastern Community Homes, and provides the technical support to groups in Cambridgeshire.

Eastern Community Homes and the Combined Authority will shortly be releasing a joint offer to communities in Cambridgeshire, letting them know of the resources available to them should they wish to undertake a community-led housing project.

In 2021 and thereafter, Eastern Community Homes and the Cambridgeshire & Peterborough Combined Authority will continue to work together on events, awareness raising, funding opportunities, and strengthening the resources available to community-led housing groups.

ii) National sector bodies

The Cambridgeshire & Peterborough Combined Authority has a vision for most advanced community-led housing sector in the UK. Officers and elected members will continue to engage with National sector bodies such as the National CLT Network and the Community Led Homes partnership to share best practice.

iii) Local Authorities

The Combined Authority will continue to engage with constituent Local Authorities to enable opportunities for community-led housing, and ensure community-led housing meets local objectives. The Combined Authority will ensure that the relevant Local Authority is made aware and engaged with any potential community-led housing groups early in the process.

iv) Other partners

The Combined Authority Community Housing team works closely with other potential stakeholders and partners such as:

- Sub-Regional Housing Board
- Housing Associations
- Developers
- Landowners
- National and local grant funding bodies
- National and local loan funding bodies
- Professionals/ consultants (architects, land agents, etc.)