

Delivering Homes and Assets with Communities: The Cornwall Community Land Trust Project



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30 September 2010



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Contents

| | |
|----|--|
| 3 | Executive Summary |
| 5 | Background to the Cornwall Community Land Trust Project |
| 7 | Financial and Organisational Development |
| 9 | Partnering Organisations: Cornwall Rural Housing Association |
| 11 | Cornwall CLT and Local Community Land Trusts |
| 16 | Conclusion |
| 18 | List of appendices |
| 19 | Appendix 1: Cornwall Community Land Trust Project Headline Objectives |
| 21 | Appendix 2: Cornwall CLT Limited Business Plan 2008/2012. |
| 37 | Appendix 3: Blisland Community Land Trust Development Case Study |
| 39 | Appendix 4: Cornwall Council and Cornwall CLT Revolving Loan Fund Synopsis |
| 40 | Appendix 5: Project Updates: Community Land Trusts in Cornwall |

Acknowledgments

The authors would like to thank the representatives of Cornwall CLT, Cornwall Rural Housing Association, St Just in Roseland CLT, Land's End Peninsula CLT, St Ewe Affordable Homes Ltd, and St Minver CLT for their participation in this research. They would also like to thank the CLT Supervisory Board and management boards of Cornwall Rural Housing Association and Cornwall CLT for their constructive comments and feedback.



St Minver CLT Self-Build Development, 2008.



Executive Summary

The Cornwall Community Land Trust Project commenced in April 2006 with the aim of creating a countywide umbrella community land trust. Eight headline objectives¹ were identified at the outset of the project with the overall aim of establishing a body capable of bringing forward and providing development services and opportunities to local groups across the county.

This report provides a review of the Cornwall Community Land Trust Project and reflections on the experiences of the umbrella CLT since the project concluded. The review is based upon the following sources of information:

- The Cornwall Community Land Trust Project final report published by Cornwall Rural Housing Association in April 2009.
- Interviews with the Director of Cornwall CLT and the Director of Cornwall Rural Housing Association.
- An interview with a representative of the CRHA board of management, who was also the Chairman of the organisation when they became involved with Cornwall CLT.
- Four interviews with representatives of local community land trust groups in Cornwall: St Just in Roseland CLT, Land's End Peninsula CLT, St Ewe Affordable Homes Ltd, and St Minver CLT.

The report is developed around three themes of Cornwall CLT's work:

- How was the Cornwall Community Land Trust Project initiated and what were the organisational arrangements and partnerships used to achieve its aims?
- Is it possible to create a financially sustainable umbrella community land trust? If so, how can this be achieved?
- What is the relationship between the umbrella Cornwall CLT and the local community groups it has assisted? What has been the nature and value of the support Cornwall CLT has provided?

Cornwall CLT had the explicit remit of developing shared equity and part sale homes to supplement and complement existing provision, filling the gap between social rental and outright sale housing using the Resale Price Covenant mechanism. Other disposal models such as the Declaration of Trust model were considered but it was felt important to have a number of financial institutions willing to lend on the disposal model used. A number of 'green light' development opportunities were identified at the outset of the Project, allowing particular avenues to be explored immediately upon the umbrella's creation.

The report concludes that partnership and support from the Project's host organisation has played a key role in helping advance community land trusts in Cornwall, in addition to the work provided by

¹ See Appendix 1: Cornwall Community Land Trust Project Headline Objectives'



Cornwall CLT to local groups across the county and the homes it has developed as an umbrella trust. It has also assisted a local group in acquiring a lease on a county farm, extending the CLT development in Cornwall beyond housing into the acquisition of other community assets.

This has involved building a framework for community groups to devise local solutions to their community's needs, direct advice and support to local CLTs, and the creation of innovative financial tools with local Councils. Cornwall CLT has built strong relationships with local authorities and local Councils in Cornwall, building an understanding of how a CLT operates within these institutions and acting as a trusted enabling body for them to work in partnership with.

Cornwall CLT has also generated alternative revenue sources to contribute to its operating costs, including the sale of development agency services and collection of annual CLT fees on its leasehold properties. Critical to the CLT's ability to generate revenue through selling services are the capabilities and skill set of the Director. It is argued that Cornwall CLT has made significant progress in meeting its aims but requires more affordable and flexible financial and practical support if it is to advance its aims with greater ease. This will be of particular importance as the countywide CLT work begins to meet the needs of communities that were identified at the outset of the project and possibilities for future development move from firm to potential opportunities.



Background to the Cornwall Community Land Trust Project

The Cornwall Community Land Trust Project ran from 2006 until 2008 with the purpose of examining how community land trusts may be set up and supported on a countywide basis. The Project was hosted by Cornwall Rural Housing Association (CRHA) and supported by grant funding, principally from the Tudor Trust and Cornwall County Council with additional funding provided by: DEFRA, CRHA, and District Councils in Carrick, North Cornwall, Restormel, Caradon, Penwith and Kerrier.

The Project was overseen by a Steering Group comprised of representatives of the main funding partners and advisors, which included the Tudor Trust, Cornwall County Council, Cornwall Rural Housing Association, Government Office South West, and Community Finance Solutions of the University of Salford.

Cornwall Rural Housing Association was selected as a host for the Project in 2006 in order to help investigate the possibility of local community land trust development. Other sub-regional bodies around Cornwall were considered for the position as host but CRHA were selected on the basis that they were an established rural housing specialist with a credible reputation around the county. This could help secure support of wider stakeholders and attach a degree of credibility to what may have been perceived by some as an unfamiliar and untested model. In addition to this they had a Director and board who were willing to champion the idea of community land trusts and promote the idea.

CRHA's decision to become involved with the Project stemmed from:

- a) An identified local demand and need for affordable housing for part-sale that could also be secured in perpetuity. CRHA is an affordable rental housing specialist and does not provide this form of tenure in its own work.
- b) Emerging interest from District and Parish Councils around innovation in local housing provision, linking in with CRHA's considerations as to how a wider range of housing needs across Cornwall could be met.

The Project was provoked by a desire to promote creative and practical responses to the increasing lack of affordable and accessible housing in rural areas. The Tudor Trust saw the Project as a strategic opportunity to build upon the experience of embryonic CLT schemes such as that on the Holy Island of Lindisfarne. An early finding of the Project was that it was necessary to set up an 'umbrella' organisation which could:

- Act as a source of advice and support to local groups seeking to develop affordable housing.
- Act as a community land trust in its own right to bring forward schemes where a local group may not exist.



- Act as a custodian of the underlying principles of the community land trust concept; namely perpetual preservation of housing affordability and active community participation in local initiatives.
- Partner with sympathetic local organisations which may be able to provide support.

Cornwall CLT Limited was founded on the 13th March 2007 as a product of the Project's work. CCLT was set up as a community land trust and is registered as an Industrial & Provident Society with charitable rules. This means it is unable to trade for profit or distribute funds for its members and must act in a charitable manner.

The decision to create an umbrella organisation early in the Project was taken for two key reasons:

- 1) To provide practical advice and support in establishing and assisting local community land trusts as quickly as possible.
- 2) To establish an independent identity for community land trusts in the county. Although hosted by CRHA who were able to provide valuable practical support, expertise and infrastructure, it was important for the umbrella to be seen as an organisation in its own right as opposed to merely a subsidiary of a housing association. In addition this would help protect CRHA's 'brand' and keep the two entities reasonably distinct.

Furthermore, the early creation of an umbrella CLT would assist in greater adoption of the concept across the county and advance the development of shared equity and part sale homes to fill the gap between social rental housing and outright sale. This would also help meet a wider range of housing needs in Cornwall.

A Cornwall CLT board was formed including representatives from: CRHA board; the Cornwall Strategic Housing Officers Group; Rosemullion Homes (a local developer); Cornwall County Council; and Cornwall Rural Community Council. The board can be composed of up to 12 members (15 including co-opted members through agreement of the board). Local CLTs can affiliate to the umbrella body by purchasing a £1 share under the IPS rules. No more than 30 per cent of the umbrella board can be taken up by local CLT representatives.



Financial and Organisational Development

A Project Manager was employed at the outset of the Cornwall Community Land Trust Project using finance from the Tudor Trust and Cornwall County Council. Alan Fox was appointed as the Project Manager for its duration, later assuming the job title of Cornwall Community Land Trust Director when the Project concluded and CCLT moved from being a pilot project to an independent organisation. CCLT worked with CAF Venturesome to devise an innovative quasi-equity mechanism to help fund the Director directly during 2009 and 2010. In this model, CCLT only repays Venturesome its investment when the CCLT hits certain revenue targets. Alan Fox argues that “Venturesome’s capital and support was invaluable in facilitating the development of CCLT.” CCLT has now started to repay Venturesome and anticipates full repayment ahead of schedule.

Venturesome are also the Investment Managers of the Community Land Trust Fund, whose investors include Tudor Trust, Esmee Fairbairn Foundation and the Charities Aid Foundation.

An initial Cornwall CLT business plan was devised in 2007². This gives information on the initial stages of planning the umbrella’s finances. A 2010 - 2014 business plan has since been devised to plot the umbrella’s financial future, building on the plans devised and revised throughout the Project. This detailed the aims of:

- Delivering 115 homes by the plan’s conclusion.
- Achieving cumulative and in-year revenue surpluses in 2010.

One of the main challenges inherent in the business plan was to finance the running costs of CCLT between the commencement of a housing development and the realisation of substantial income upon their completion and subsequent sale of homes. Cornwall CLT has created alternative sources of revenue to help finance its day-to-day operations.

Support such as infrastructure, information technology, accountancy services and administrative services is purchased from Cornwall Rural Housing Association through a Service Level Agreement. The funding CCLT obtained to employ the Director was also able to contribute to the purchase of these services.

Cornwall CLT has also been able to finance its activities by selling development agency and consultancy services to local community land trusts and housing associations.

Local community land trusts are able to access the funding for these services through the CLT Fund which offers grant aid used by community land trusts to access technical assistance. Cornwall CLT provides a certain amount of free service and support to local groups but a fee is charged where time consuming technical advice is needed to progress a community’s ideas into practical development. The CLT Fund has played an important role as it provides a clear pool of revenue for local groups to access funding which they can then decide to use for purchase of the umbrella body’s services.

² See Appendix 2: Cornwall CLT Ltd Business Plan 2008/2012.



Local housing associations can also be customers of CCLT's development services. Cornwall Rural Housing Association often employs the Director of CCLT as an agent to help bring their schemes forward through pre-development work and development management services and is a ready-made customer for CCLT's services as a result of their partnership.

The provision of these services has been a crucial source of revenue³ for Cornwall CLT and significantly helped sustain its activities. The skills and expertise of CCLT's Director have been vital in allowing them to provide these services and as such the extent to which it is a replicable model is dependent upon the individual employed.

Cornwall CLT has also benefited from surpluses on completed properties. Every development has been completed on budget and generated a modest surplus attached to the sale which can be reinvested back into the CLT.

➤ Funding Partners

Cornwall CLT has also played a crucial role in developing local financial tools to support housing development across the county, helping them to fulfil some of the targets of the business plan. North Cornwall District Council provided St Minver CLT with a £5,000 setting up grant and £544,000 interest-free loan to pay for the land, fees and facilitate the self-build development in 2008. This was funded by money taken from Second Homes Council Tax. In total the average public subsidy per unit in St Minver was about £3,000.

Additionally, lobbying to Cornwall Council helped establish a revolving £1m development loan fund⁴ at an interest rate no higher than its consolidated loan rate. The Council charge an interest rate of base + 1 per cent and fund this from their borrowings. This creates a cheaper credit option for community land trusts and also allows the Council a slight earning opportunity, helping to meet the needs of both parties.

These tools are obviously conducive to creating a strong working environment for community land trusts in Cornwall. Cornwall CLT has creatively developed sources of finance from partnering organisations, created alternative sources of finance using its own expertise, and made indirect use of the finance available from the CLT Fund through the local CLTs it has assisted. The successful partnerships at Council level will also help embed the idea of community land trusts as a viable and trusted form of provision.

The scale of the tools described above are either scheme-specific and/or there to complement traditional forms of loan finance. More affordable development finance will be needed to progress, particularly if intermediate rent schemes are to be developed, and in this sense Cornwall CLT faces similar challenges to the CLT movement at large. An avenue to explore may be the creation of a revolving loan fund at a larger scale than the one set up in Cornwall which could provide pre-development and development finance to CLTs, charge a small rate of interest as in Cornwall and continually replenish the fund for future CLT developments as repayments are made.

³ Please see Appendix 3 for an example: 'Blisland Community Land Trust Development Case Study'

⁴ See Appendix 4: 'Cornwall Council and Cornwall CLT Revolving Loan Fund'



Partnering Organisations: Cornwall Rural Housing Association

Cornwall Rural Housing Association was selected as the host body of the Cornwall Community Land Trust Project due to their established reputation and expertise in providing rural housing throughout the county. They were able to provide a degree of credibility to an unfamiliar idea and way of working and were able to help open lines of communication with other stakeholders.

The partnership between CRHA and Cornwall CLT has been of mutual benefit to both organisations. In addition to the support provided in setting up Cornwall CLT and helping the organisation create its own identity, CRHA has been a willing and ready-made customer for the development agency services provided by CCLT, helping provide them with a revenue source. This creates a circular financial relationship in which one supports the other, with CCLT purchasing the necessary infrastructure and support services from CRHA and also receiving a source of income from the partnership. Although CCLT still incur operating costs by paying for this support, hosting the umbrella body within CRHA's offices has also helped reduce the costs of creating a new organisation in its formative years.

A mutual benefit for both organisations has been the ability to pursue joint development opportunities across the county, providing a mix of housing association properties for social rent and CLT ownership opportunities. One example of this is a joint project at Blisland where CRHA provided seven homes for social rent and Cornwall CLT six homes sold to qualifying local people at a low percentage of open market value. The advantage is that it allows for provision of more than one form of housing tenure and for both CRHA and CCLT to look at larger development sites than they would usually pursue on their own.

Since their formation CRHA has typically been a niche provider of small rural developments. Partnering with Cornwall CLT has allowed them to expand their development programme significantly, raising the number of properties it manages from approximately 200 to 300. There are also feelings that the partnership and support offered to Cornwall CLT can enhance their own reputation and help generate greater community support.

However, there is a degree of frustration on the part of CRHA from what it sees as the refusal of the charitable foundations and trusts which are supporting CLTs nationally to engage with and support the ongoing work it is doing with CLTs in Cornwall. From CRHA's perspective it appears that there is a degree of suspicion, bordering on antipathy, from the charitable funders towards the involvement of housing associations which has meant that many of the CLT projects currently underway have only been enabled by CRHA undertaking work at risk. This activity has inevitably stretched the limited resources of a small community-based organisation such as CRHA.

Therefore it could be suggested that, had the support mechanisms currently in existence for CLTs been the only option available to CCLT, it is doubtful that similar levels of progress in developing community land trusts properties would have been made in Cornwall. Furthermore, it suggests that a gap in funding exists unless an umbrella community land trust can find a friendly housing association with the resources and capacity to provide practical help.



Ultimately the partnership between Cornwall CLT and Cornwall Rural Housing Association has been one of mutual benefit and has in some ways been serendipitous. One of the major revenue sources that funds CCLT's operating costs is the sale of its development agency services of which CRHA are a willing customer. Joint developments have been undertaken and continue to be planned which has allowed both organisations to expand their horizons. A mix of CRHA and community land trust properties will soon be developed in partnership with two local community land trusts at St Ewe and St Minver in addition to schemes that have been developed with the umbrella CLT itself.

Furthermore the synergy found between CCLT and CRHA exemplifies the manner in which community land trusts and housing associations may be able to complement and supplement each other's activity as opposed to being pitted as competing organisations. CRHA's support and expertise has made a strong contribution towards Cornwall CLT's success to date. Small housing associations with development capacity can deliver good support, as can CLT umbrella organisations by themselves acting in partnership with a private developer.



Cornwall CLT and Local Community Land Trusts

As a sub-regional body, Cornwall Community Land Trust facilitates the delivery of housing using the CLT model in two ways⁵:

- 1) Identification and implementation of projects throughout the county which can provide affordable housing linked to the identified needs of local communities, ensuring there is community involvement in the schemes.
- 2) Bringing forward projects where a need for affordable housing exists but no local group has been identified to lead delivery. CCLT are able to bring these schemes forward as a sub-regional trust and manage them until such a time when a local group comes forward and volunteers responsibility.

➤ Numbers and registration of local CLTs

By 2010 five locally-led community schemes had been registered by Cornwall CLT. This registration process has been facilitated by the sub-regional presence of Cornwall CLT and their relationship with Councils in the area. Local groups seeking an avenue through which they can tackle the needs they have identified within their community may typically be directed by their local authority or Parish Council.

St Minver CLT was formed by a group of local people seeking to develop affordable housing on a piece of land sold at low-market value by a local farmer. They were a local community group seeking to tackle this issue but were without any 'brand' or legal identity to assist them. They were directed towards the support on offer from Cornwall CLT by an official within North Cornwall District Council who believed "...the CLT structure [would] fit them like a glove". St Minver joined forces with the umbrella body, were assisted in forming as a community land trust, and from there were able to develop 12 self-build homes on time and on budget. These were sold at 31.3 per cent of open market value. As of 2010 the trust is embarking upon their second phase through a joint development with Cornwall Rural Housing Association.

Of course, they may have eventually found a way to develop their scheme and may have been pointed towards the general idea of a community land trust by the same public servant, but having the sub-regional presence there provided a clear framework and structure to local development and advanced the process. Similar stories can be found among the other local CLTs; whether they have been directed by local councillors or advised by councils on the basics of CLTs and pointed towards CCLT, the presence of a sub-regional body which is not distant and remote from the area has assisted development 'on the ground'. CLTs of a 'settlement up' nature are finding clear avenues through which they can access ideas, support and advice to then do it themselves.

⁵ See Appendix 5: 'Project Updates: Community Land Trusts in Cornwall'



➤ **The nature and value of an umbrella body to local CLTs**

The support provided by an umbrella body varies according to local circumstances. If a community requires introductory advice, support and informal guidance then the umbrella body provides this at no cost, sensitive as it is to the constraints of embryonic local organisations. Paid fees for technical expertise and development services can help sustain the umbrella financially, generating a key source of revenue which can contribute to its running costs. These services and fees would be detailed on a case-by-case contractual basis.

By way of illustration, valuable support was provided by the umbrella in helping St Minver CLT register as a charity – a process which was described as “a nightmare” by the trust’s Chair – while they have also been able to benefit from free of charge and informal ‘over the phone’ advice on issues such as construction and managing the build process. This role could be described as that of a ‘comforter’; local CLTs know that the umbrella body is there as a friendly body that can be approached for all types of advice and support. This would seem to be an essential part of any support framework which attempts to empower community organisations that are resource hungry but working to extremely tight financial margins.

Other support provided by Cornwall CLT to local trusts may include:

- Legal advice and incorporation, ensuring community groups are fit for the purpose they have formed. Land’s End Peninsula CLT has a broad remit including management of a county farm and development of intermediate market housing; CCLT were able to help in ensuring the rules, governance and structure of the organisation was able to fulfil these functions.
- Practical assistance with complex form filling: charitable registration, a process which appears to trouble many community land trusts, was cited as an example.
- Signposting and pointing communities in the right direction towards the resources and tools they require. This also includes opening lines of communication with relevant stakeholders, whether it is through their presence and reputational support or through signposting to sensitive and specialist professionals who can help trusts of this nature.

This type of support appears to be integral to the development of the locally-led community land trusts in Cornwall. Asking representatives of these CLTs what may they may have done without the guidance provided by Cornwall CLT illustrates this:

“It’d have been a much longer process and we’d have been more likely to give up...not only do you not know exactly where to begin, but you don’t even have the sense of where to begin”

“I guess somehow we’d have managed but ultimately it’d have been a lot more difficult”

This is not to suggest that without an umbrella body these trusts would not have got off the ground. Even with the support offered by CCLT, they remain organisations which are led by volunteers who sacrifice their time in attempting to develop a trust to benefit and sustain their local community. However, the general perception of these trusts was that the presence and role of CCLT has helped



smooth the process and enable them to realise the solutions they had identified to meet their community's needs. They may not have assumed the same legal form, accessed the support and lines of communication they've received in the same manner, and may not have formed as community land trusts as we know them.

Furthermore, those local CLTs who are far enough into the journey to reflect seemed to suggest increased self-confidence and empowerment as a result of the work to date:

"We've reached a point where we'd have the confidence to carry on if [Cornwall CLT] had to bail out for any reason...we've begun to take decisions ourselves and run ourselves as an organisation"

This can be interpreted in a particularly positive light; local CLTs expressing views such as this suggest that the role of CCLT has, in one sense, been to empower communities with the framework to operate, showing them how things can be done and creating locally-led institutions which can sustain themselves. Clearly the life of these community land trusts is still at an extremely early stage, they are young organisations who have yet to face the issues of change and transition in the company's structure and make-up, but the suggestion that a framework for local people to act within is being cultivated is itself illustrative of the aims of the wider CLT movement.

➤ **Governance**

The initiators of the Cornwall Community Land Trust Project pondered what formal link, if any, there should be between the sub-regional support body and local community land trusts across the county. What influence and role, if any, should CCLT as a countywide representative have over the governance and operation of the local CLTs who may appear to carry and influence their reputation?

As stated, the relationship between Cornwall CLT and the trusts it helps is formalised on a case-by-case contractual basis as and when technical and time consuming advice and support is required. CCLT can also play a friendly 'comforting' role for informal advice and support. Local CLTs do not pay an affiliation or membership fee as other community support structures may demand in similar but unrelated fields of practice.

Any concerns over the local reputation of the community land trust 'brand' do not stem from the activities of the local CLTs involved with CCLT, moreover they emerge from apprehension that other less community-minded organisations could theoretically adopt the tagline of 'community land trust' or other terms such as 'foundation' or 'society', despite not sharing the same ambitions and objectives as community land trusts.

Clearly this is an issue for the nationwide community land trust movement; how the identity and integrity of the idea is protected from possible hijack or misuse will be an issue that confronts many trusts. This will also be of concern to wider stakeholders within relevant authorities who will need to ensure the legitimacy of a community land trust and their objectives.

Stakeholders in Cornwall were appeased by the assurance that each community land trust has a body sitting behind it acting as a 'constitutional custodian'. The role of the constitutional custodian is essentially to protect the objectives and philosophies of the community land trust. Any proposed changes in the rules and objectives of the organisation must be authorised by this body and the



intention is to protect the community land trust from a misuse of its power or position within the community; for example by ensuring assets remain available for the benefit of the local community in perpetuity. Typically the role would be performed by a sympathetic and politically legitimate organisation such as a parish or town council or indeed by Cornwall CLT itself.

Of course assets can also be protected perpetually through the legal structure a CLT assumes or by the regulator sitting behind it. If a CLT is registered as a charity then the Charity Commission will dictate and ensure that the trust's assets are always used for charitable purposes. Furthermore, some may see the idea of a constitutional custodian as contradictory to the philosophies of local community influence and control inherent to community land trusts. However, in the specific local context of Cornwall the creation of a constitutional custodian was needed to persuade and assure relevant stakeholders of the legitimacy of a community land trust and that the CLT's altruistic intentions would be safeguarded.

This is not to suggest that local community land trusts are governed and dictated to on an authoritarian basis. The constitutional custodian is ultimately there as a last resort in protecting the community land trust rather than managing and dictating the day-to-day activities of a CLT.

Upon becoming involved with a local group, Cornwall CLT typically goes to lengths to discuss with local CLTs their responsibilities as local custodians of assets and the vital issues involved in controlling an organisation acting on behalf of, and the benefit of, the local community. Time is spent on encouraging local bodies to widen membership of their trust, to ensure community buy-in and avoid becoming an insular organisation. Having a wide and broad membership can also contribute to the protection of the CLT brand earlier, strengthening the democratic claims made by the CLT and preserving their intentions of providing benefit to the wider community.

In considering how to establish and then protect the identity of community land trusts, there is an indication that the countywide umbrella CLT acting in the interests of local groups has significantly contributed to community land trust development in Cornwall.

Cornwall CLT has established a collective presence across the county for the groups of communities pursuing similar objectives. It has created:

- Representation for community land trusts at higher sub-regional levels than simply the local town or village.
- Developed a framework within which community land trusts are increasingly accepted and trusted as a legitimate model for councils to support.
- Created a reputation for itself as a trusted partner.

Councils have felt able and confident in directing community groups to Cornwall CLT for support. In this sense, it could be argued that having a countywide umbrella body in itself helps safeguard the reputation of local community land trusts as authorities in Cornwall will be aware that any group seeking legitimacy by adopting the 'community land trust' tagline is likely to have had some involvement or raised some awareness with Cornwall CLT. Of course, community land trusts should be able to develop as they see fit and not necessarily be committed to taking support from a sub-regional body, but Cornwall CLT has played a paramount role in create a sympathetic environment for emerging CLTs to gain legitimacy.



It is also clear that local community land trusts have been greatly assisted on a practical level by Cornwall CLT. Umbrella CLTs can play the role of campaigner, enabler, advisor or negotiator, also acting as a problem solver between local authorities and local community groups seeking avenues and mechanisms to confront the identified needs of their local community. Cornwall CLT has provided valuable assistance to communities in setting up 'fit for purpose' community land trusts, offering continued support as and when it is required and seemingly empowering communities with the structure and knowledge to take responsibility as a custodian of assets for their local community.



Conclusion

The development of community land trusts in Cornwall has been significantly assisted by the presence of a sub-regional countywide body which is able to facilitate development.

The creation of alternative revenue sources has been of paramount importance to financing Cornwall CLT's operating costs. The provision of development services and expertise to willing customers has helped sustain CCLT, while the peppercorn ground rents applied to the organisation's portfolio provides a steady and guaranteed source of income. Additionally, the support of a host organisation has assisted in reducing the costs associated with administration and infrastructure.

The umbrella CLT has also built strong connections with stakeholders in the region, particularly in securing underlying support from Councils. The local community land trusts registered with CCLT have strong links with their Parish Councils. CCLT has also worked with Cornwall Council on developing a revolving loan fund which provides an accessible income source to help combat the costs and strains of developing a plot of land for affordable housing. Furthermore, prior to the county's move to unitary authority status, a number of District Councils had felt confident in directing local community groups towards CCLT to provide a mechanism for them to provide for their local area's identified needs, highlighting the presence Cornwall CLT has begun to establish.

Cornwall Rural Housing Association has played a critical role in advancing the Cornwall Community Land Trust Project since its inception. They have continued this work and realised mutual benefits for both organisations by engaging in joint development opportunities with Cornwall CLT and local community land trusts. An outcome of the partnership has been to establish Cornwall as a testing ground for the community land trust model. The experience of developing CLT schemes which are affordable in perpetuity and located in small rural settlements has contributed towards the evidence base for restricting leasehold enfranchisement in protected areas.

CRHA has also helped advance community land trust developments by conducting work at risk on behalf of Cornwall CLT. This was not an outcome envisaged at the beginning of the Project and if it were not for CRHA's sympathetic attitude it is possible CLT development may not have advanced as far as it has done. There is a need for greater flexibility of charitable foundations and trusts which are alleged to have a wariness of engaging with joint housing association schemes. The work CRHA and CCLT have mutually engaged in ought to contribute towards tempering this.

The support offered to local community land trusts by Cornwall CLT has been invaluable and has often been due to the skills and positive attitude of the Director. Local community land trusts appear to have been greatly assisted on both a fee-paying and voluntary basis and have received support in creating sustainable and 'fit for purpose' community land trusts. Cornwall CLT has played an important role in enabling these communities to pursue their objectives. It has also established a collective and representative presence for community land trusts at a countywide level which is recognised and trusted by the Council.



Cornwall CLT will face further challenges in the short and long-term. As is common throughout the nationwide community land trust sector, there is a great need for development finance at more affordable rates of interest. Also, a number of 'green light' development opportunities were identified at the beginning of the current business plan, and as these prospects are fulfilled the trust's plans move from 'firm' to 'potential'. Ongoing detailed research and identification of opportunities is needed for an organisation of this type.

As the property portfolio of Cornwall CLT continues to grow, the human resources of the organisation may also be tested. Currently the Director performs numerous tasks and support services using a wealth of skills, knowledge and general expertise and experience. This includes, but is not limited to: campaigning and lobbying; development of funding mechanisms; advice and support to local community land trusts; identification and assessment of development opportunities; and provision of development agency services to generate revenue. The time demands placed on the Director require a particular set of skills, particularly in selling services to other customers which has been a critical source of income for Cornwall CLT.

Sufficient work is in hand to create a surplus and pay back the organisation's debts by the end of 2010 in accordance with the business plan and housing development continues apace. Cornwall CLT continues to deliver on the objectives identified on its birth and has developed practical and replicable solutions to local needs in conjunction with its partners. The work of Cornwall CLT is capable of being replicated across the country; however the development of greater and more flexible support mechanisms for organisations of this type would assist in easier replication at scale.



Developing homes and assets with communities: Appendices

Appendix 1: Cornwall Community Land Trust Headline Objectives

Appendix 2: Cornwall CLT Ltd Business Plan 2008/2012 (adopted on 12th November 2007 and currently under review).

Appendix 3: Blisland Community Land Trust Development Case Study

Appendix 4: Cornwall Council and Cornwall CLT Revolving Loan Fund

Appendix 5: Project Updates: Community Land Trusts in Cornwall



Appendix I: Cornwall Community Land Trust Project Headline Objectives

1. Identify and implement at least six projects using the Community Land Trust mechanism and models described above providing affordable housing linked to the identified needs of local communities and involving them in delivery.

Key characteristics were that:

- There was community involvement in project delivery
- The equity generated was held for community benefit in the long term
- The projects were outside the existing regulatory framework for housing associations.

2. Take schemes forward so that, at the end of the two year period, there were:

- Two schemes under construction;
- Two schemes with planning permission and where the site has been purchased;
- Two schemes which were ready to go forward to purchase.

3. Promote the CLT concept to:

- Communities, parishes, and local authorities throughout Cornwall.
- Community development organisations and staff
- Developers and landowners
- Registered social landlords

4. Develop a strategy for establishing the suggested county-wide umbrella including local CLTs as partners.

5. Develop a dialogue with County and District Councils.

6. Develop the tools that CLTs will need, including finance, community investment expertise, intermediate market housing models, a revolving loan fund to meet initial speculative design and planning costs, access to Objective 1 subsidies for workspace etc.

7. Use both the successful project outcomes and the tools developed:

- To inform policy discussion;
- To provide case studies based on actual schemes drawing out lessons which could help inform other schemes;
- To link the project into other web-based advice and support for CLTs developed by Community Finance Solutions and others.

8. Draw up a long term business plan based on the above to take the project forward beyond 2008.



Appendix 2: Cornwall CLT Limited Business Plan 2008/2012

I. Executive Summary

I.1 Background

1. This document represents the business plan for Cornwall CLT Limited (“CCLT”) for the period to 31st December 2012. It incorporates the following:
 - description and background of CCLT;
 - CCLT’s current position operationally and financially;
 - the operating objectives;
 - the strategy and actions necessary to achieve those objectives; and
 - the financial projections to 31 December 2012.

2. This plan has been prepared to assist the Board in agreeing policy and monitoring progress against targets and to present the case to funding bodies for the capital and revenue support required to achieve the objectives.

I.2 Objectives

1. Cornwall CLT Limited was founded as a community land trust (CLT) on the 13th March 2007. It is registered as an Industrial and Provident Society with charitable rules.

2. CCLT was established to provide an umbrella organisation for the development of local CLTs and provide good quality affordable housing for local people in housing need in Cornwall and Isles of Scilly. The affordable housing will principally be intermediate housing for sale which meets the needs of eligible households. It will be provided at a cost low enough for them to afford, having due regard to local incomes and local house prices. CCLT will ensure that the homes remain at an affordable price for future eligible households. Other forms of tenure will also be considered for development of affordable housing with or without the use of Social Housing Grant (SHG). The Prospectus for the National Affordable Housing Programme 2008/2011 has indicated that it is possible for CLT’s to receive grant funding for housing projects for sale and intermediate rent through a partner RSL subject to certain conditions being met, and, where circumstances allow, such funding opportunities will be pursued.

3. CCLT will develop the legal and financial models so that they can be used by other similar organisations to deliver additional land for affordable housing and affordable homes in Cornwall and Isles of Scilly.



1.3 Management of CCLT

1. CCLT is run by a voluntary Board of Management, which has overall responsibility for its activities. Responsibility for the day to day management of the CCLT's affairs will be delegated to Cornwall Rural Housing Association Ltd. (CRHA) under a Service Level Agreement (SLA) from 17th April 2008.
2. The Board of Management is extremely enthusiastic about the prospects and opportunities for CCLT, which is demonstrated by the commitment and effort they are putting into its activities.

1.4 Action Plan and Financial Requirements

1. CCLT will apply for grant funding from local authorities, parish councils, and charitable foundations to support the set up costs of local CLTs and will assist with capacity building and the registration of at least 2 new local CLTs each year.
2. CCLT will apply for funding from local authorities and charitable foundations to mitigate the gap in revenue funding for the first year of the Business Plan.
3. CCLT will seek to access any additional funding that may be available from local authorities following the reduction in the council tax discount for second homes for use as interest free revolving development loans.
4. CCLT has applied for a revolving development loan fund of £1million from Cornwall County Council for a period of five years at an interest rate no higher than its consolidated loan rate, and will also apply for revolving development finance from the Association of Charitable Foundations, and other bodies identified by Community Finance Solutions. The potential of obtaining loan funding from housing associations will also be investigated. The total loan facility required will be over £5 million by Year 5 of the business plan.
5. CCLT will pursue opportunities for capital grant funding through the National Affordable Housing Programme 2008/2011 in partnership with approved developing housing associations.
6. CCLT will work with private developers who are obliged by the planning system to provide an element of affordable housing on larger developments.
7. CCLT will directly develop and work with local CLTs to deliver at least 184 additional affordable homes during the life of this business plan. These will be the basis for producing development income to fund the annual revenue costs.
8. CCLT will arrange additional short term loans from suitable banks and building societies for individual developments to meet the balance of the funding requirement for these



proposals. The loans will be secured on the schemes to which funding relates until the sales of the individual homes are finalised.

1.5 Commendation

This Business Plan has the full support of the Board of Management and the financial projections will be used as key performance indicators against which actual results will be measured.

2. Background

2.1 History

1. Cornwall CLT Limited (“CCLT”) was set up as a community land trust and is registered as an Industrial and Provident Society with charitable rules. As such it cannot trade for profit or make distributions to its members. It intends to register as a member of the National Housing Federation.
2. CCLT was founded on the 13th March 2007 as the product of work commenced during the Cornwall Community Land Trust Project which began in April 2006. The Project was hosted by Cornwall Rural Housing Association and supported by grant funding, principally from The Tudor Trust, and Cornwall County Council, with additional funding from DEFRA, Carrick District Council, North Cornwall District Council and Restormel Borough Council. This was the first project in England to examine how community land trusts might be set up and supported on a County- wide basis and one early finding was that it was necessary to set up an “umbrella” organisation to act both as a source of advice and support to local groups and also as a community land trust in its own right to bring forward schemes where a local group may not exist.
3. CCLT has its registered office located at the offices of Cornwall Rural Housing Association Ltd (CRHA). CCLT will be purchasing support services from CRHA through a Service Level Agreement throughout the life of this business plan. CRHA is a totally separate entity and is registered as an Industrial and Provident Society with charitable rules. It is also a Registered Social Landlord with the Housing Corporation and is a member of the National Housing Federation. CRHA operates across Cornwall and the Isles of Scilly, but does not provide homes for sale.

2.2 Housing Needs in Cornwall and the Isles of Scilly

1. People in the South West are suffer from the impact of having house prices which are above national average while average incomes are well below the national average.



2. In Cornwall and the Isles of Scilly average house prices are now over 13 times local incomes, and there are local areas where prices are now over 15 times incomes. Fewer than half the affordable homes needed to meet the draft Regional Spatial Strategy are being built, and this is despite the higher levels of investment the government and local authorities are putting into new affordable house building.
3. Each year that goes by with not enough homes being developed means that there is an ever increasing shortfall in housing supply which needs to be recovered, and a bigger struggle to deliver communities and neighbourhoods sustainable for the long term.
4. The analysis in appendix A shows that in the year 2006/7 only 532 new affordable homes were completed across the whole County, and this included the total efforts of RSLs, Homebuy and the private sector.
5. Detailed housing needs matrices are available for many local areas (an example is also reproduced in appendix A) and where these are not available, local needs surveys are carried out in partnership with the District and Parish/Town Councils. This information on need, demand and affordability is critical to being able to carry out proper project appraisals.
6. During the same period in 2006/2007, 31 affordable homes were lost through Right to Buy, and households on local authority housing registers increased to 18,768 from 18,558 the previous year.
7. CCLT aims to help to alleviate this deepening crisis by helping to create a new intermediate market of affordable housing for sale. This will be aimed mainly at persons and families in employment but in housing need, who cannot afford or do not have access to the traditional products currently available. Importantly, CCLT will not aim to compete for scarce social housing grant (SHG) from the regional pot, which is so desperately needed for the provision of social rented housing, but will seek assistance by way of obtaining interest free revolving loans and acquiring land at low or nominal value.
8. CCLT will aim to encourage landowners to release land for affordable housing by demonstrating how the land can be properly controlled and managed to ensure that the homes remain affordable for local people in the long term. Examples of where landowners, including farmers, local authorities and other bodies have agreed to release land at a low value for providing affordable housing is reproduced in appendix C.



3. Mission Statement

CCLT aims to help maintain the sustainability of existing communities by assisting with the development and registration of local community land trusts and also by delivering significant additional numbers of good quality affordable housing and amenities to meet the needs of people in Cornwall and on the Isles of Scilly.

3.1 Corporate Objectives

1. CCLT is committed to ensuring that it maintains its charitable objectives in meeting housing needs throughout Cornwall and the Isles of Scilly.
2. CCLT will directly develop good quality housing for sale to meet identified needs, and can also be contracted as a development agent in order to assist local CLTs with the delivery of such schemes.
3. The focus of CCLTs work will be concentrated on settlements of less than 3,000 population but development in larger settlements and towns will be considered where such development would meet an identified need and be delivered by other housing associations as the lead developer, or by private developers who are required by the planning system to provide an element of affordable housing as part of a larger development.
4. CCLT will facilitate the development and registration of new local CLTs in Cornwall and the Isles of Scilly, and will also help to obtain funding and act as development agent for local CLTs.
5. CCLT will receive grants, gifts and land in order to facilitate the development of affordable housing and other community amenities, either on behalf of local CLTs or through direct provision.
6. CCLT will work with a range of housing associations and other partners in order to maximise the delivery of affordable housing in urban and rural locations.
7. CCLT will continue to develop good working relationships with local authorities, parish councils, landowners, local CLTs, community groups, housing associations and funding bodies.
8. CCLT will remain an independent entity run by local people for the benefit of the local community.



9. CCLT will manage its financial affairs efficiently and optimum use will be made of private and (where appropriate) public funding to provide additional housing.
10. CCLT will promote equality of opportunity throughout its operations.
11. CCLT will seek to minimise the environmental impact of its operations.
12. CCLT will support initiatives to increase the supply of affordable housing in Cornwall and on the Isles of Scilly.
13. CCLT will share its learning points with other CLT projects nationally and participate in providing information for the proposed CLT Information Portal.

4. Operation and Management

4.1 Board of Management

1. CCLT is run by a Board of Management, which at 13th March 2007 consisted of 3 Board Members, all of whom were unpaid volunteers. The maximum number of Board Members is 12 (or 15 including co-opted members). The Board is elected by the shareholders of the Association each of who hold one share of £1 nominal value.
2. The Board meets at least four times each year and is responsible for the activities of CCLT. In addition, 'ad-hoc' meetings of members of the Board can be called to consider specific issues.
3. CCLTs Code of Governance was adopted on the 13th June, 2007.
4. The Board values its voluntary ethos and does not intend to make payments to Board Members.
5. The Board intends to recruit new members during 2007 in accordance with the Membership Policy which was adopted on the 13th June, 2007.



6. Members of the Board of Management:

Roger Carson FRICS

Chartered Surveyor; Fellow- Royal Institution of Chartered Surveyors

Managing Director; Rosemullion Homes.

Roger Jones FCCA

Business Consultant; Fellow - Chartered Association of Certified Accountants;

Representative nominated by Cornwall Rural Community Council (CRCC).

Mike Williams FRICS

Chartered Surveyor; Fellow - Royal Institution of Chartered Surveyors (Rural Practice Division)

Representative nominated by CRHA.

4.2 Management Structure

1. The day to day management of CCLT will be carried out by the Company Secretary who will be employed by CRHA under the terms of the SLA.

The role of Company Secretary is currently being undertaken by the Community Land Trust Project Manager, **Alan Fox, BA (Hons), MRICS, MCIH**, who is a Chartered Surveyor and a Member of the Chartered Institute of Housing. This is a temporary two year position funded as part of the Cornwall Community Land Trust project funded in the main by The Tudor Trust and Cornwall County Council. The services will be provided by CRHA under a Service Level Agreement when the Community Land Trust Project comes to an end.

2. CCLT is committed to providing adequate and relevant training for Board Members as it is recognised that this is an essential requirement for the continued success of CCLT.

4.3 Office & Services

1. CCLT is based at CRHA's offices at Lanhydrock near Bodmin, close to the junction of the A30 and A38. This newly converted office block has excellent facilities and is also close to Bodmin Parkway railway station which is on the main Paddington to Penzance line, and is within 30 minutes of Newquay airport. CCLT has access to a large meeting room.
2. CCLT purchases administrative, accountancy, and information technology services direct from CRHA as defined in the Service Level Agreement



4.4 Information Technology

1. IT equipment and services will be provided by CRHA under the SLA for the duration of this business plan.

4.5 Systems

4.5.1 Management information systems

1. CCLT will receive monthly management accounts and quarterly reports of progress against budget from CRHA under the SLA.
2. CCLT will meet the annual reporting requirements of the Financial Services Authority (FSA)

4.5.2 Budgetary control and cash flow management

1. The Secretary will prepare a draft annual budget for the CCLT which will be formally presented to the Board. The Board will consider the budget and approve any necessary amendments.
2. The performance of CCLT against budget will be monitored quarterly. The quarterly figures will be reported to the Board of Management setting out actual results in comparison with the budgeted figures. This report will include a narrative explanation of the differences between the two sets of figures. The Board will consider the report and agree any revisions to the budget for the next quarter that may be required.

4.5.3 Control environment

1. CCLT will develop a set of financial regulations and procedures which will be reviewed annually. These will provide a detailed framework for its day to day operations.
2. CCLT has appointed external auditors who will carry out an annual audit.



5. Development

5.1 Background and Strategy

1. CCLT is committed to providing good quality affordable homes for sale that complement the areas in which it works.
2. CCLT aims to build homes that are attractive to residents and economical to live in. The provision of such housing in rural settlements will assist in maintaining the viability and sustainability of village life.
4. CCLT will develop schemes to meet housing needs throughout Cornwall and the Isles of Scilly.
5. CCLT will develop good quality affordable housing for sale in rural settlements to meet identified needs, and will also assist local CLTs with the delivery of such schemes. The feasibility of providing other forms of tenure using the CLT model will also be investigated.
6. The focus of CCLTs work will be concentrated on settlements of less than 3,000 population but development in larger settlements and towns will be considered where such development would meet an identified need and be delivered by other housing associations as the lead developer, or by private developers who are required to provide an element of affordable housing as part of a larger development.
7. CCLT will seek to develop and forge a range of partnerships in order to achieve its objectives, and build on the track record it developed during the life of the Cornwall CLT project.
8. CCLT will:
 - work closely with local authorities, housing associations and private developers to meet identified needs.
 - consult with parish councils and other community groups regarding development proposals.
 - work with prospective local CLTs to build capacity, and assist with registration and delivery.
 - ensure that feedback from new schemes is incorporated into the design process.
 - comply with the requirements of public, charitable and private funders.



5.2 Operating Environment

1. CCLT is the only CLT operating across the County of Cornwall and the Isles of Scilly.
2. CCLT will seek to obtain allocations of Housing Grant (SHG) from the Housing Corporation for appropriate schemes in partnership with approved developing housing associations under what has become known as the “specialist” route for 2008/2011.
3. While keeping its options as open as possible regarding SHG, CCLT will seek alternative sources of funding for its work, such as the funding generated from the reduction in second homes council tax discount, from charitable foundations and other sources.

5.3 Proposed development programme

1. The projections attached to this plan have been based on proposed named schemes that have a real prospect of funding and other schemes where proposals are being worked up with a view to obtaining planning permission and funding.
2. The projections assume that the following affordable homes for sale will be completed:
2008 - 0 homes
2009 - 48 homes
2010 - 41 homes
2011 - 45 homes
2012 - 50 homes
3. CCLT will continue to work up new schemes to a stage where they are able to take advantage of funding should it become available at short notice.
4. The scale of this activity will vary across the districts depending on where local CLTs can proceed and where opportunities for development arise. However, it will be CCLT’s aim to acquire a land bank of at least one site with planning permission per district and to add new sites to the land bank as existing sites are developed.

5.4 Assessment of local need

1. CCLT will develop housing in order to meet an identified need. The number and type of dwellings to be constructed will be determined by the level of need and what the households in need can afford.



2. Local authorities in Cornwall produce housing needs matrices, and where these are not available, surveys can be undertaken by the parish councils with the assistance of the district council.
3. In addition, each local authority district has its own policy on affordable price limits for different sizes of affordable homes, and a table summarising these is reproduced in appendix B.

5.5 Scheme appraisal

1. The scale of the development programme means that each scheme will receive individual consideration by the Board. As well as the financial analysis, each project appraisal will also include an analysis of need, demand and affordability, a marketing strategy, and mitigation of risk and exit route. The financial impact of development schemes is factored in to the Trust's financial projections.
2. CCLT will develop and/or procure schemes in a variety of ways, as follows:-
 - Acquisition and works
CCLT will acquire the land and procure the building works using design and build contracts. In some instances sites will be shared with housing associations in order to achieve a required tenure mix.
 - Turnkey arrangements
To be agreed both with housing associations and private developers on the basis of agreeing plans and specification for homes to be supplied at a fixed price. A nominal deposit may be paid, with the purchase price paid at practical completion.

An analysis of how the schemes will be procured with indicative costs is reproduced in appendix C.
3. The Board will consider initial scheme proposals and comments regarding design issue will be reported back to the designer. Amendments to the scheme will be made to take account of these comments together with any received from the local authority and parish council.
4. Mining surveys, contaminated land searches, etc. will be commissioned prior to the acquisition any sites being developed by CCLT.
5. CCLT will employ external consultants as appropriate to ensure it complies with all relevant planning and other legislation and regulations.
6. CCLT will always apply good design principles to its schemes.



5.6 Development agency work

CCLT may carry out development agency work on behalf of local CLTs for which will generate fee income. Individual fee proposals for schemes will be considered for approval by the Board.



6. Financial Strategy

- I. The financial strategy is founded on the following principles:
 - Tight financial management
 - Achieving in year revenue surpluses by 2009, and cumulative surpluses by 2010.
 - Careful management in the growth of funding commitments
 - Cautious approach to assumptions on inflation, interest rates and provision for future spending

6.1 Principal Assumptions

The principal assumptions underlying the projections are as follows:

1. Inflation

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---------------------|------|------|------|------|------|
| Inflation – general | 3 | 3 | 3 | 3 | 3 |

This is also applied to development income from 2009.

2. Development

Assumptions regarding the costs of new developments and the expected levels of funding are shown in the tables below:

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------|------|---------|---------|---------|---------|
| Units | 0 | 48 | 41 | 45 | 50 |
| Funding Required | 0 | 5050000 | 4291849 | 4503409 | 5143350 |
| Average Cost per Unit | 0 | 105208 | 104679 | 100076 | 102867 |



3. Operating costs

The levels of expenditure on administration and other costs included in the projections are based on those currently being incurred by the Cornwall Community Land Trust Project, plus additional dedicated administrative support, and equipment costs, adjusted for annual inflation. The detailed analysis of projected operating costs is reproduced in Appendix D.

4. Financial projections

I. The projected results of the Trust for each of the years ending 31 December 2012 are as follows:

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Units | 0 | 48 | 41 | 45 | 50 |
| Income | | | | | |
| Development | | 124800 | 109798 | 124125 | 142055 |
| Operating Cost | 56069 | 79312 | 78563 | 83261 | 83183 |
| Surplus/Deficit | -56089 | 45488 | 31235 | 40684 | 58872 |
| Cumulative Surplus/Deficit | -56089 | -10601 | 20634 | 61498 | 120370 |



2. Cash Flow

The projected cash flow statement of the Trust for each of the years ending 31 December 2012 is as follows:

Cash Flow

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|-------------------------------|-------|--------|--------|----------|-----------|
| Net Income | 0 | 124800 | 109798 | 124125.3 | 142054.51 |
| Operating Cost | 56089 | 79312 | 78563 | 83261 | 83183 |
| Grant/Working Capital funding | 57000 | | | -27000 | -30000 |

Project Costs

| | | | | | |
|-------------------|---------|---------|---------|---------|---------|
| Scheme Costs | 5291624 | 4662787 | 5476487 | 2878525 | 2878525 |
| Grant Received | 120812 | 403561 | 574728 | 793389 | 306850 |
| Funding | 5170812 | 4380038 | 4989948 | 2571675 | 2571675 |
| Loans Repaid | 0 | 5170812 | 4380038 | 4989948 | 5143350 |
| Unit Sales Income | 0 | 5050000 | 4291849 | 4503409 | 5143350 |
| Project Cash Flow | 0 | 0 | 0 | 0 | 0 |

| | | | | | |
|------------------------------|-----|-------|-------|-------|-------|
| Net Receipts/Payments | 911 | 45488 | 31235 | 13864 | 28872 |
|------------------------------|-----|-------|-------|-------|-------|

Bank

| | | | | | |
|----------------------|-----|-------|-------|-------|--------|
| Start of year | 0 | 911 | 46399 | 77634 | 91498 |
| End of year | 911 | 46399 | 77634 | 91498 | 120370 |



5. Taxation

1. CCLT has charitable status, and so the surpluses arising on its activities, to the extent that they are applied for charitable purposes, are exempt from corporation tax.
2. CCLT cannot register for VAT.

6. Future finance

1. The information provided above shows a requirement for a low cost development finance facility of over £5 million over the five years covered by this Business Plan. CCLT has received an indication that an interest free loan will be available for one scheme, and it will seek to secure further interest free and low interest revolving loan funds for pre-development and development costs.
2. The delay between the commencement of development and the sales of completed properties means that there is a requirement for an interest free loan or grant to assist with running costs during Year One. The Business Plan assumes that this would be repaid during Years 4 and 5.



Appendix 3: Blisland Community Land Trust Development Case Study

Cornwall CLT Revenue: Figure 1 Percy's Meadow, Blisland

This was a joint development with CRHA, who provided 7 homes for social rent alongside 6 CCLT properties sold to qualifying local people. All homes were occupied by December 2009.

Cornwall CLT took a development allowance of **£2,600** per CLT property to pay for the work undertaken, creating revenue of **£15,600**.

Cornwall CLT acted as a development agent for the CRHA properties, taking an allowance total of **£10,500**.

A ground rent of **£150** per property is charged on the CLT properties, creating revenue of **£900** per annum.

This creates an overall income in the first year of the development of **£27,000**.

In addition to this **£10,000** of scheme cost savings were made through prudent scheme management, which allows a share of these savings between improving the specifications of the homes and investing back into the organisation.

The average subsidy per home came in at **£25,000** below the regional average for shared ownership.



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Percys Meadow Case Study

Blisland, Cornwall
Partner: David Savage

Percy's Meadow Case Study

This recently completed project is for 13 dwellings in the village of Blisland in the heart of Bodmin Moor. The scheme consists of 7 dwelling for rent, built by and managed by Cornwall Rural Housing Association and 6 dwellings for low cost purchase administered by the Cornwall Community Land Trust. This innovative arrangement allows for local qualifying people to purchase their own house at an affordable price.

The design of the properties was intended to reflect the local vernacular with the 6 CLT units being traditional cottages with Dormer windows, natural slate roofs and brick chimneys. The 7 CRHA rented units have a more 'barn like' appearance, with again natural slate but with dark stained timber windows and timber boarding to principle elevations. The majority of the houses have natural stone detailing to porches etc.

As well as being designed to fit in with the local Cornish architecture all the houses have a very high specification with regard to sustainable technologies. This includes ground source heat pumps, high levels of insulation and air tightness and in the case of the CLT units wood burning stoves.

This project is among a number of schemes being undertaken by CRHA and the Cornwall CLT providing much needed affordable housing (for rent and purchase) across the County.

Design team

Client: Cornwall Rural Housing Association / Cornwall Community Land Trust
Architect: Trewin Design Partnership
QS: Wellers
Contractors: JJ Jones





Appendix 4: Cornwall Council and Cornwall CLT Revolving Loan Fund Synopsis

The revolving loan fund between Cornwall Council and Cornwall CLT was agreed in principle in December 2009. Cornwall CLT is yet to draw down on the fund, but the agreement will work as follows:

- An interest rate of base rate + 1 per cent will be charged as the money is drawn down and on a cumulative basis.

- Groups will provide financial appraisal documentation which will include:
 - Background to the project
 - Demonstration of housing needs and demand for the tenure model.
 - An exit strategy - charges upon dwellings and land.
 - Projected building and project costs.
 - A timetable for delivery and assessment of timescales including planning.
 - Sustainability.
 - Demonstration of Parish Council/local support.

- This is then considered by an Appraisal Group within the Council which includes relevant financial, housing and legal specialists. At least one month is allowed before draw down of monies.



Appendix 5: Project Updates: Community Land Trusts in Cornwall

St Minver CLT Limited

This Community Land Trust was registered as a Charitable Company Limited by Guarantee in December 2006 and subsequently became a registered charity.

A site in Rock was purchased a start on site was made on 1st October 2007.

The development provided 12 two and three bedroom bungalows for local people through a self-build scheme which was managed by the CLT. The former North Cornwall District Council provided both a setting up grant and also development finance by way of a secured interest free loan. The scheme was completed on time and within budget in December 2008.

A second phase started on site during March 2010. This is a joint development with Cornwall Rural Housing Association (CRHA) which will provide 4 homes for social rent through CRHA and eight self build plots for St Minver CLT. The whole scheme is supported with a capital grant from Cornwall Council and the social rented homes also receive Social Housing Grant support through the Homes and Communities Agency (HCA).

St Just in Roseland CLT Limited

This Community Land Trust was registered as a Charitable Company Limited by Guarantee in April 2007 and subsequently became a registered charity.

It has purchased of a site for a scheme of 8 affordable homes for local people at St Just in Roseland using the self-build route. The site has detailed planning permission and construction of 6 homes is due to commence during late summer 2010.

Carrick District Council provided a setting up grant, a grant to for the CLT to purchase the land, plus a grant to cover 50% of the cost of a project manager, with the other 50% being provided through the Community Self Build Agency.

St Ewe Affordable Homes Limited (SE AHL)

This Community Land Trust was registered as a Charitable Company Limited by Guarantee in April 2008 with financial support provided by the former Restormel Borough Council.

A joint development with CRHA started on site during March 2010 which will provide two homes for rent via CRHA and 4 affordable homes for sale via SE AHL.

Cornwall Council also provided a capital grant for land purchase and also towards the CLT's development costs. The social rented homes have received Social Housing Grant through the HCA.

Camelot Country Community Interest Company

This CLT has now been registered as a Community Interest Company and has submitted a detailed planning application for 14 affordable homes for sale at a brownfield site in Delabole, currently owned by the Regional Development Agency. The CLT aims to commence construction in autumn 2010.



Land's End Peninsula Community Land Trust

This Community Land Trust was registered as a Charitable Company Limited by Guarantee in January 2010 and has acquired a lease on a farm which it will run as a community farm.

Luxulyan Community Land Trust

This CLT is in currently going through the registration process.

Percy's Meadow, Blisland

This was a joint development between CCLT and CRHA to provide a mix of affordable housing for rent and for sale to qualifying local people.

CRHA provided seven homes for rent and CCLT provided six homes for sale, all of which were occupied by December 2009.

The whole scheme was supported with a capital grant from the former North Cornwall District Council and the social rented homes also receive Social Housing Grant support through the Former Housing Corporation.

Blunts

CCLT has detailed planning permission to build 8 affordable homes for sale to local people on land provided by the Council, with construction due to commence as soon as the development loan application has been approved. This scheme has also received a modest capital grant from Cornwall Council.

Nancedra

CCLT has detailed planning permission to build 2 affordable homes for sale to local people on Council land. Land transfer and development finance are being finalised.

St Teath

This is a joint development between CCLT and CRHA to provide six homes for rent through CRHA and 10 affordable homes for sale through CCLT. The project started on site during March 2010 and it is anticipated that the homes for sale will be available to purchase during early 2011.

The whole scheme is supported with a capital grant from Cornwall Council and the social rented homes also receive Social Housing Grant support through the Homes and Communities Agency (HCA).

Kelly Bray

This scheme is a partnership between CCLT and Selleck Nicholls Homes and phase two, which comprises 7 homes for sale to local people, will start on site this summer. This site is shared with Devon and Cornwall Housing Association Limited, which will own and managed the 5 social rented homes completed in phase one.

N.B. All of the above schemes have legal agreements which restrict occupancy to people in housing need with local connections and in addition the initial and future sales prices.