

## **North Horsham Parish Council.**

### **Notes from the Community Land Trust Meeting held on 17<sup>th</sup> December 2018 at Roffey Millennium Hall, Crawley Road, Horsham starting at 6.30pm.**

#### **In attendance**

Cllr James Davidson (JD) - North Horsham Parish Council (from 7.30pm)

Cllr Joy Gough (JG) – North Horsham Parish Council

Peter Kenworthy (PK) – Resident

Graham Maunders (GM) – Action in Rural Sussex

Stuart Norton (SN) – Resident

Cllr John Smithurst (JS) – North Horsham Parish Council

Pauline Whitehead (PW) – North Horsham Parish Council – note taker.

#### **Apologies**

Cllr Ray Turner – North Horsham Parish Council

#### **Setting the scene**

##### The basis of the working party

PW explained why the working party had been formed. In September 2018 the Parish Council agreed “to commence an initial investigation into setting up a Community Land Trust as a means to having greater control of affordable housing in North Horsham to be led by the Planning, Environment and Transport Committee.” (PCM minute ref. FC/281/18)

In November 2018 after being acknowledged by the Planning, Environment and Transport Committee (Minute ref. PET/51/18) the Parish Council appointed Cllr James Davidson, Cllr Joy Gough, Cllr John Smithurst and Cllr Ray Turner to the Community Land Trust working party to be joined by residents who had shown an interest in the initiative following correspondence relating to the Neighbourhood Plan. (PCM Minute ref. FC/299/18)

The working party had no decision making powers. Any information or recommendations would have to be put back to the Parish Council, preferably through the Planning, Environment and Transport Committee.

### Action in Rural Sussex (AiRS)

AiRS is an independent charity formed in 1931 and whilst most of its work is in rural communities, it works in urban areas too. Its broad aims are to reduce the incidence and impact of disadvantage and poverty, increase the capacity of communities to manage change for the benefit of all their members and inform and amplify the voice of communities to influence public policy.

AiRS operates a housing enabling service, “the Sussex Community Housing Hub”, funded by nine of the Sussex district councils, including Horsham, which supports and gives technical advice to community led housing groups in Sussex. The Hub is currently supporting some 23 groups across Sussex to develop initiatives. These are predominantly Community Land Trusts (CLT’s), support is also offered for cohousing, self-build and co-operatives.

GM provided a presentation of slides which accompany these notes.

CLTs enable the community to own the freehold interest in land / buildings in perpetuity and are not for profit organisations. Whilst they are principally used to build / acquire locally affordable homes for rent or shared ownership, CLT’s can also own other community assets – such as a hall, shop, pub or communal land. Income from rent / services charges meets the management cost and can offer an opportunity for local communities to buy other community assets. . The key drivers for setting up a CLT tend to be a lack of locally affordable housing, and to ensure local say and influence on rent policy, allocation policy and design. Typically, rent policy will be based on what people earn locally.

The CLT board, which is elected through its local membership, ensures ongoing stewardship of the assets to ensure community benefit is maximised.

The management of the assets can be undertaken either directly or indirectly by appointing a specialist agency.

CLTs can be flexible to local need and so the nature of the land / buildings developed / acquired, and the form of renting / leasing / share ownership can be varied to suit the local circumstance.

### National Community Land Trust Network

GM explained that the National Community Land Trust Network (NCLTN) is the official charity supporting Community Land Trusts in England and Wales.

(<http://www.communitylandtrusts.org.uk>).

Joining the National CLT Network gives access to information regarding specialist funding, resources, legal advice, Directors and Officers Liability insurance and free or discounted training opportunities. NCLTN are supporting the establishment of a number of regional / sub regional hubs – like the Sussex Community Housing Hub to provide ‘hands on’ advice and support to local community groups.

In December 2016 the Government announced the Community Housing Fund to be available over 5 years. . The first tranche of some £60m was allocated to 148 authorities to administer directly, where there was a significant number of second homes. A further £163m is being made available through the government agency Homes England. Bids for the second tranche of funding is open until December 2019, but it is possible that the deadline may be extended.

#### General information on CLTs

A CLT is a legal entity and operate in a defined boundary. **It can cost around £500 to become a legal entity – if the NCLTN Model Rules are utilised.** The National CLT Network can provide model documents to cover the legal requirements of setting up a CLT. **Set up funding to get to that stage is available through specialist funding sources.**

Local residents in the defined area (typically a parish – although some encompass several parishes / a town) can become members of the CLT and they elect the board. There are governance documents put in place to ensure openness and accountability. Commonly CLT's take the legal form of a Community Benefit Society.

The origins of of a CLT being formed vary. In some cases, it is because a piece of land becomes available (local authority, parish or private owner wanting to help a local community or through a planning requirement for affordable housing), in some cases it is because there is an unmet identified need and local concern about affordability.

SN asked at this point if the need for affordable housing in North Horsham had been assessed. GM explained that it is usual for a CLT to invite a member of the Local Authority to their 2<sup>nd</sup> or 3<sup>rd</sup> meeting to gain an understanding of local need, explore land availability, funding opportunities and start to establish links.

Housing Associations increasingly only tend to be interested in larger developments (30 homes +), so CLTs have a role to play in particular where there may be small parcels of land.

JS asked if S106 funding could be used. GM explained that S106 could be used if that was written into a S106 agreement.

Developers may offer buildings / land to CLTs through Section 106 Agreements at 60 – 70% of market value. Some landowners who may not sell for commercial purposes, are attracted to selling for community use.

Currently NCLTN funding is not available for feasibility studies. Although other sources – principally from the local authority can be.

JS asked what the liability was for both the Parish Council and the board of the CLT. CLTs must be an incorporated body established as a separate legal entity, **therefore the Parish Council has no legal liability**. When the CLT is set up it is important to have adequate insurance to cover the board members (normally through NCLTN) whose liability will only be £1 if they have exercised sound professional judgement whilst operating the CLT.

Should a CLT fold, any assets must be transferred to a similar body.

CLTs are essentially a group of individuals and whilst they work best where there is involvement from the District and Parish Councils, they are an independent legal entity.

At this point GM moved to the template agenda that had been sent to all working party members.

*Cllr James Davidson arrived.*

### Purpose of the Steering Group

**Terms of reference** are provided by the Hub including key roles such as the chair, secretary and treasurer. A Steering Group operates for a time limited period until the legal entity and board are established. This can be achieved in as little as six months.

Meetings are usually monthly with individuals going away with specific tasks to complete by the next meeting. A draft template which can be varied to suit the needs of the individual CLT is attached to these notes.

Task and finish groups may also be utilised to address specific aspects in more detail.

Parish Councils provide a range of support depending on resources available. This can include in principle support, promotion / advocacy, communication, involvement of individual Parish Councillors, funding - offering a place for them to meet free of charge, website page promotion, grants e.g. Aldingbourne £5,000 and land e.g. Angmering. The Parish Council may be willing to pay for other ad hoc costs such as basic membership of the National CLT Network which is £49 or insurance costs which are in the region of £300.

### **CLT set up**

One of the first tasks of the Steering Group is to define the area of benefit "the community". Whilst boundaries can be changed (subject to members agreement and additional legal cost), this needs to be determined to establish the area from

which members are drawn. In most instances it is often easier to use an area that has already been defined, such as a ward or parish boundary.

Examples and templates covering things like future aims, vision and mission and legal form can be obtained through the Hub and the National CLT Network.

Conflicts of interest are dealt with early on to help ensure that there is good governance.

### **Development**

Local housing need. HDC will have information on housing need and a waiting list. However, the CLT may wish to explore this further and get information of their own. The CLT would develop its own policy on who would occupy any housing, this is usually done in conjunction with the District Council but may be focused on specific groups such as families. Ultimately it would be the Board of the CLT that would decide. The focus for the CLT would be set out in its Vision and Mission and objectives.

CLT's are most effective when they work in partnership with other key local organisations and community groups.

The CLT would look for land opportunities using the Local Plan and **Strategic Housing and economic land availability assessment (SHELAA)** and local knowledge. Site selection process would also involve discussions with landowners, developers and HDC. When approached the developer of the land North of Horsham did not close the door on working with a CLT, although the clock is ticking as the development progresses. . The options would need to be prioritised to determine which piece of land to focus on.

In previous schemes a piece of land has helped to galvanise the CLT and increase support. The number and type of homes will be dependent on many factors including need.

Development management / housing management can be undertaken in a range of ways. At one end of the spectrum, direct project management by the CLT Board (engaging professional support as necessary) and at the other in partnership with existing housing organisations - such as a housing associations or a private organisation. Depending on the option taken there are funding and legal implications to be considered.

### **Funding.**

There are a number of sources of funding available for the various stages. At the outset the voluntary steering group incurs minimal costs and the 'hands on' Hub advice and support, including attendance at every meeting, is funded through the various councils including Horsham District. In the medium term ongoing Hub support and advice is paid for through individual project funding.

Essentially funding is needed for three key stages:

1. The set up cost for a CLT can be in the region of £4,000 – covering for example: incorporation, legal costs, communication (e.g. website / leaflets), meetings, business planning, and feasibility studies etc. .
2. To draw up proposals for a planning application costs in the region of £30,000 to £50,000.
3. The capital cost of building or acquiring property will vary according to the nature of the purchase..

The NCLTN Set up funding is currently closed but under review. It is hoped that further funding will be available early in 2019.

Other sources of funding for the first and second stage include the local authority and Homes England Community Housing Fund. . When capital funding is required for the project, Homes England and / or borrowing through the Charity Bank and Triodos Bank among others, and community shares are examples.

CLT's operate largely through the voluntary effort of board members. As they grow, income from assets and funding for projects enable them to engage paid help.

There may be pockets of money (e.g. Section 106 funding) or other resources to help with various requirements. For example, the Parish Council may offer a room free of charge for the CLT Steering Group to meet. Some groups operate with voluntary support from individuals happy to play a role other than being a steering group member - examples include someone to take minutes of the meetings and someone to develop the website to help publicise the CLT.

Most CLT's have a basic £1 membership fees (individuals and sometimes local organisations). Many CLTs also seek donations and undertake other forms of fund raising.

### **Communications with the wider community**

At the outset, another key consideration for the Steering Group is how engage / involve the wider community. Encouraging involvement in the Steering Group /

Board, membership, CLT promotion generally and engaging key partner organisations.

It is important that the community is involved as the CLT develops. Members will receive regular information on the progress of the CLT and be able to attend the AGM and elect board members.

CLT's generally utilise websites, newsletters, Facebook Page and meetings to galvanise interest, attract board members and raise interest / awareness with people who are in housing need.

### **Next steps**

1. The CLT Meeting will be noted under Chairman's Announcements at the Planning, Environment and Transport Committee Meeting on 20<sup>th</sup> December 2018.
2. The notes of the meeting will be circulated to the full Council and an agenda item tabled for the Parish Council Meeting scheduled for 10<sup>th</sup> January 2019.

The Parish Council will be asked: -

- to consider if they will support the forming of a CLT which will become a legal entity in its own right with no liability on the Parish Council.
- To consider if they would support the Steering Group in their application to the National CLT Network at a cost of £49 and pay for the initial insurance at a cost of up to £300 to come from the Planning revenue budget on the basis that the CLT applies for any additional setting up funding through the National CLT Network.
- To consider allowing the CLT to meet in a room provided by the Parish Council once a month free of charge.
- To consider providing administrative support for up to 6 months whilst the CLT is formed.

PW thanked GM for his presentation and for providing information. She also thanked those who attended, especially the residents as they had waited quite a while to get to this meeting stage.

There being no other business, the meeting closed at 8.20pm.

