



Re-thinking the affordable development model

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Developers failing to secure funds, first-time buyers struggling to get mortgages and around 1.7 million people sitting on the council waiting list: traditional ways of providing housing have not adapted to life in the wake of the economic downturn.

Not so in Rock, Cornwall, where a Community Land Trust (CLT) has been used to develop affordable housing for local people with insufficient income to buy on the open market. What started with a £5,000 parish council grant ended with the construction of 12 two bedroom bungalows. This new structure has proved so attractive that the Homes and Communities Agency recently gave a Lindsafarne-based CLT a grant of £212,000 towards the development of new homes.

A CLT is a non-profit making trust established by members of a local community to acquire land, houses or other facilities within the community at a reduced cost and to hold them in perpetuity for local use. This new structure, which seeks to replace a "top-down" strategy with local community activity, has been recognised by all three major political parties.

The Housing and Regeneration Act 2008, which established the legal structure of CLTs, is part of the Department of Communities and Local Government (DCLG) strategy to engage and support third sector groups, especially those within the local community. The DCLG states that 60 CLTs now exist around the United Kingdom and they are gaining momentum as a mechanism for fostering socially responsible and community driven development.

One initiative to spring out of this strategy has been the East Devon New Community, which has considered using CLTs to provide affordable housing, enterprise facilities and community workspace at its new community settlement in Cranbrook. Burgess Salmon is providing legal advice to East Devon District Council on the planning elements of this new

eco-community, which includes looking at how CLT ownership arrangements could be facilitated through section 106 agreements.

Burgess Salmon has a broad range of experience in advising on community owned projects. We are acting for the Barton Hill Settlement, a charitable organisation in Bristol, in connection with it leasing land from Bristol City Council as part of the Council's emerging Third Sector strategy.

Burgess Salmon has also acted for a number of clients on the creation and regulation of alternative property structures, notably Community Interest Companies (CICs). In particular, we have recently advised a major renewable energy business on its options when setting up a structure to manage land around a decommissioned nuclear power site. We have also advised a local community group on setting up a CIC to gather funding to purchase an historic building within their village, with a view to regenerating the high street and providing essential services to the community.

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