

# COMMUNITY LAND TRUSTS

## What are they... and how do they work?

**Community land trusts (CLTs) are democratic, non-profit organisations that own and develop land for the benefit of the community.**



CLTs typically provide affordable homes, community gardens, civic buildings, pubs, shops, shared work-space, energy schemes and conservation landscapes.



CLTs are community organisations run by ordinary people who want to make a difference to their local community, putting control of assets into the hands of local people. They can be set up by the community or a landowner, developer or council.



CLTs ensure their homes are permanently and genuinely affordable. CLTs act as long-term stewards of land and the assets on it. They ensure that it is put to the benefit of the local community, not just for now but for every future occupier.



Started in the USA, CLTs are now a worldwide movement. In both urban and rural areas, CLTs are a key part of the future of the land, affordable housing and community facilities.

### Why set up a CLT?

CLTs empower local communities to come together to solve the challenges facing them. It's a way to take control within their local areas - whether housing or local facilities and assets such as the local shop or pub. It makes communities partners and clients, instead of consultees and consumers.

As CLTs are part of a wider movement and recognised as a vehicle to do this, others may be more willing to support these community efforts. Such as funders, financial institutions or even your local planning authority. And of course CLTs support each other because they are part of a wider network.

### Legal structures of CLTs

CLTs are not a legal form in themselves (like a company). However, CLTs are defined in law which means that they must:

#### Benefit a defined local community

For the purposes of a CLT, the 'local community' means the individuals who live or work in a specified area.

#### Be not for profit

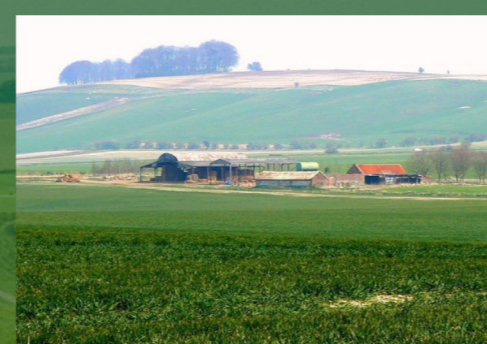
CLTs can, and should, make a surplus as a community business, but the surplus must benefit the community.

#### Allow local people to be able to join

Those living and working in the community must have the chance to join the CLT as members if they support the CLT's aims.

#### Ensure those members control the CLT

Members must have a controlling vote in AGMs and on the board, though other stakeholders can be included in the governance.



\*CLTs have to take on a legal form which works for them

#### How does a CLT create affordability?

A CLT needs to receive initial subsidy. Once properties are built, the land on which they stand is protected from fluctuations in land market valuations by a legal 'asset lock'.

#### Where does a CLT get its land?

CLTs acquire land in a variety of ways.

Usually land needs to be bought at a low cost in order to enable the development of affordable homes (if the land price is too high then the scheme might not work financially).

Land could be bought from a private landowner, bought at a discount or gifted by a public body or a community minded landowner, or bought at a discount or gifted to the CLT by a developer as part of the contribution to the community per a planning agreement.

### COMMUNITY LAND TRUST FAQs

#### How are CLTs run?

CLTs are locally driven, controlled and democratically accountable.

They have a membership that is open to all who live or work in the defined community. The members elect a volunteer board to run the trust on their behalf.

The board comprises a mix of local residents, tenants and employers; people from the wider area with useful skills; and additional stakeholders.

Additional stakeholders could be local authority representatives, or those who endow land or property to the trust).

#### What if we don't have enough people with the right skills?

Volunteer time is limited and CLTs can be complex to run. Experience shows that enough people generally come forward to work on a CLT when the community is behind the proposed project.

The most important characteristic of a volunteer is passion for the place they live in - other skills can be bought in. There are regional and local Enabler Hubs which support CLTs and other community-led housing schemes.

#### Are CLTs just about building homes for sale?

No. CLTs usually have wider ambitions. They set out to address local housing needs.

CLTs are also providing opportunities for self-builders, mutual homes ownership and co-housing schemes.