

Eastington Community Land Trust (CLT)

Meeting 25th April 2016 at 7.00 pm in Village Hall

Minutes

Attendees: Muriel Bullock, Alan Brasier, Liz Hughes, Pete Hughes, Ian Crawley, Tom Low (acting secretary), Kathryn Gribble, (general members): Ed Davies, Anne Pitcher, Roy Pitcher

1. MB was **elected chair** for this meeting and as Acting Chair until Incorporation Andrew Niblett's resignation as Acting Chairman was noted and a vote of thanks offered for his services. Also noted that MB acts in a personal capacity, not as a Parish Cllr.
2. **Co-option** of Kathryn Gribble as Acting Treasurer was unanimous
3. **Update on land acquisition:** TL reported that landowners were being approached in a priority order, depending on their willingness to have as near to 100% affordable units as possible. MB, TL and Karl Hine of Aster Homes have reached a verbal agreement with one landowner for two phases of 12 houses. When a conditional offer has been presented in writing and accepted, the Steering Group will be informed.

TL confirmed that 24 units of 100% affordable housing, biased towards smaller units, would satisfy the Housing Needs Survey (HNS) of 2014. No further phases would be considered until the next HNS in 2019. Senior Stroud Planners have confirmed that the Parish will be safe from predatory developers once this application comes forward.

In response to questions, IC confirmed that our work on the HNS and researching landowners were a solid background to the five stages of a CLT Project. He also confirmed that CLTs were almost certainly going to remain exempt from Right To Buy (RTB).

Stage 1 (where we are) – setting up Steering Group, doing HNS, researching land, moving to Incorporation (see item 7). The grant at minute 4 below is to pay for this stage

Stage 2 Land Acquisition – IC advised strongly that the CLT should try to raise the finance for this, to retain the initiative in the project. Public Works Loan Board (PWLB) was the method used by Horsley Parish and there may be funds from RTB receipts within Stroud DC. Bank funds can also be used but would be the most expensive option.

DECISION It was agreed to explore both PWLB and Stroud RTB sources

ACTION: TL, MB, District Cllr

Stage 3 Project Development (a) Feasibility pre-Planning – checking the key hurdles to planning permission (road access, services, noise abatement, ecology) and financial viability. £10,000 grant available from Locality, IC recommended immediate engagement with Locality (Lynn Kesterman) because funds are limited. (Secretary's note: informal discussions with Stroud Planning indicate that Noise Abatement is the top priority to be scoped pre-application).

DECISION It was agreed to initiate discussions with Locality **ACTION – TL, MB, KG**

(b) work to obtain Planning Permission – the CLT will have to drive this now that Locality are providing up to £40,000 as a grant (previously Aster would have had to provide this service on an “at risk” basis). IC recommended we aim for two tranches, the first to start maybe in July/August. The CLT will choose the Architect now and will also have to have trustees with building expertise.

Stage 4 Construction Phase. This will be driven by Aster who will have to secure the funds from the Housing and Communities Agency (HCA) plus their usual banks. CLT will still have their architect and will have input to the shortlist of contractors. 24 units over 3 years will be an attractive scale for builders and indeed Aster Homes’ Board (many CLTs are building less than 10)

Stage 5 Income – Aster would expect a 125-year lease for the building risk and the on-going management, repairs and allocations. A ground rent of £200 per property per annum would provide income to the CLT for, amongst other things, repayment of loans for the land purchase.

4. Noted that a **Grant** of £4,000 has been received from National CLT for Stage 1 above.

5. **Payment of annual fees** to National CLT of £50, now due, was approved unanimously

ACTION - TL MB

6. **Consideration of alternative ways of Incorporating**

IC described the four methods of CLT incorporation in an interactive session. Full details were circulated to all Steering Group members on 27th April by MB and are available on the National CLT website.

Company Limited by Guarantee – not recommended because no Asset Lock which is essential to the “perpetuity” concept which is how a CLT avoids the RTB.

Community Interest Company (CIC) – does have Asset Lock and has been used by some CLTs.

Charitable Community Benefit Society (CBS) – entails heavy regulatory oversight (Charities Commission) and limits trading potential. A non-charitable CBS can later vote to become Charitable, but not vice-versa. Some tax advantages, especially if raising funds from public becomes necessary.

Community Benefit Society (CBS), non-charitable – recently approved after many years' work by Government, legal profession and voluntary bodies. Includes Asset Lock, regulated by Financial Services Authority (FSA). Used by majority of CLTs and Model Rules available from National CLT.

IC recommended CBS non charitable, second choice being CIC. In any event, legal advice should be sought quickly and advice taken from other CLTs about how much the Model Rules need to be changed (e.g. Nailsworth)

Other questions – IC confirmed CLT sites would be exempt from Section 106. CBS non-charitable and CIC have no tax advantages. Tax implications for the vendor were raised and discussed. CLT insurance against land (once purchased) remaining vacant – better to have any risk items carried by Aster Homes.

DECISION - It was agreed unanimously to pursue CBS Non Charitable using National CLT Model Rules

ACTION - MB to circulate

DECISION - It was agreed unanimously to research local solicitors as soon as possible

ACTIONS – AB to look at WPS, EH to pursue lead in Gloucester, TL to activate Nicola Rowlings and (via Paul Mannings) Pheonix

7. Steps to Public Meeting and Appointment of Trustees

Steps to achieve Incorporation outlined above are a pre-requisite of going public as is the need for a conditional land agreement.

It was agreed that a background article could go in the next ECN (May 15th deadline, on the streets May 31st). This will be an agenda item for the next Steering Group.

It was agreed to target early July for the public meeting, to be ahead of school holidays yet maximum time to complete Incorporation and land confirmation. On-going Agenda item.

8. Date of next meeting

Friday 6th May, 7.00 pm

CIRCULATION

E-mail to all present

Website

Tom Low

Acting Secretary