

Report to Lothingland CLT

Concept Note arising from scoping day on 15th November 2017

Background

Historically Lothingland formed a half-hundred division of a 'shire' for military and judicial purposes and in common law which was finally split between Norfolk and Suffolk counties in 1974. The three parishes of Belton with Browston, Fritton with St Olaves and Burgh Castle were all in Lothingland and therefore it seems appropriate to choose this name for the Community Land Trust.

Belton with Browston is a parish consisting of the villages of Belton and Browston Green, and is situated some 5 miles (8 km) south-west of Great Yarmouth. The civil parish has an area of 3.23 square miles (8.36 square km) and with a population of 3,805 at the 2011 Census although according to the Parish website there are now over 4500 inhabitants in over 1650 properties, all but 50 being in Belton.

Fritton and St Olaves is a civil parish and comprises the villages of Fritton and St. Olaves together with the surrounding rural area. It has an area of 7.63 km² (2.95 sq mi) and a population of 524 at the 2011 census.

Burgh Castle is a village and civil parish with a population of 1150 in the 2011 census. It is situated on the east bank of the River Waveney, some 6 km west of Great Yarmouth and is within the Broads National Park.

There is a school in Belton, Moorlands C of E Primary School, together with the Village Green Children's Centre on the same site for children under school age, this covers Belton, Burgh Castle, Bradwell, Browston, Fritton and St. Olaves areas.

There is one convenience store in Belton, under national chain ownership, at Bell Lane where it also houses the Post Office and is supported by a smaller shop, ladies hairdressers and a take away. The village has one very large Holiday Park, nationally owned and a small caravan and camping site and although there are several other holiday interests in adjoining villages, virtually all employment is outside the village, either in Great Yarmouth itself or in surrounding towns. There are two public houses, The (Railway) Tavern and the Kings Head on opposite sides of the village. The Tavern also has a Fish and Chip shop on the same site.

Burgh Castle has two pubs and a marina and holiday park catering mainly to the tourist market. Fritton Lake, St Olaves and other nearby attractions are popular with tourists during the season and there is accommodation in the area. Local employment tends to be seasonal and unskilled/semi-skilled.

In attendance on the scoping day

- Adrian Myers – Convenor of Meeting, District Councillor
- Anne Scott, local resident
- Aaron Neal, local resident
- Brian Swan, admin & advertising Village Voice
- Margaret Greenacre, Belton & Browston Parish Councillor
- T D Greenacre, Burgh Castle Parish Councillor
- Bob Grimmer, Burgh Castle Parish Councillor

- Mick Graystone, Belton & Browston Parish Councillor
- Rowland Dunn, Fritton & St Olaves Parish Councillor
- Peter Nichols, Burgh Castle Parish Councillor
- Debbie Wildridge – Head of CLT East

Apologies: Andy Grant, County & District Councillor
 Kate Palmer, Clerk to Belton & Browston Council

1 Proposed Project

The proposal for a CLT is as a result of an opportunity for community-led housing schemes to come forward following a grant being given to Great Yarmouth Borough Council by DCLG (the Department for Communities and Local Government) to stimulate local community interest in supporting local affordable housing for themselves.

The Steering Group is focussed on delivery of an affordable housing project at this time but recognises that other projects or schemes may be taken on in future. The villages would like to work together on schemes which would benefit all of the residents in the 3 parishes irrespective of in which parish the development is situated. There is a Statement of Intent to Work Together document currently circulating to which each Parish would sign up.

Collecting evidence of need for affordable housing would also be a preliminary step as would public meetings to explain the aims and ambitions of the CLT. These sessions, planned for March/April 2018, will give people the chance to find out more about community-led housing and make suggestions on what other benefits the scheme might provide.

“This is all about allowing the community to help shape the future of the villages.” Adrian Myers, Chair of Steering Group.

During the Scoping day an exercise was undertaken to identify the main drivers amongst those present for delivery of an affordable housing scheme through a CLT. Participants were given the opportunity to identify any drivers or motivating factors in developing a CLT for the delivery of affordable housing. The following table shows the findings:

Need for Affordable Housing

Control / Ownership of the asset

Spatial Planning

Opportunity

- We need this type of housing in the villages
- We don't want to lose our next generation
- More affordable homes needed in the village for young people, better eco build – lower

running costs, sustainable

- To provide young people with a way to stay
 - Retirement homes for older people looking to downsize (warden controlled?)
 - Provide a community hub of services e.g. dentist, medical services, library, retail, parking
 - Make housing expandable for growing families
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- Long term control and management of local housing need [is an advantage offered by a CLT]
 - Feeling of local ownership
 - Control over local allocation of affordable housing
 - A representative group to control provision and management of homes
 - A CLT can influence design/mix of housing provided
 - Generate an income for CLT
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- We need to take responsibility
 - There may be other needs that can be met by a CLT in Lothingland
 - We need to show growth to ensure services continue
 - We would like to be innovative e.g. eco-design
 - Design in sympathy with local vernacular
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- Land opportunities could exist
 - Start with a small project

Although this exercise is not statistically robust it can be seen that the strongest driver for developing a CLT is to meet local housing need with the opportunity to control and plan through a CLT seen as a distinct advantage. Whilst a site opportunity would be welcome, it is not the principle driver. Allocation of the affordable housing to local people is a key requirement.

2 Delivery of Affordable Housing

A search of planning applications in 2017 has not shown any substantial applications for the building of new dwellings in any of the villages. There is a large development currently proposed for Hopton, undecided at the time of writing this report.

Whilst there would be an advantage in having a potential site identified at this early stage, there is a need for any emerging CLT to ensure that it operates in an open, inclusive and transparent way. It is therefore recommended that if the formation of a CLT proceeds then an early task will be to conduct an open and public 'call for sites'.

The CLT – ideally with the assistance of a local planning officer and/or the Rural Housing Enabler – can then assess the sites for suitability for delivery of affordable homes. By going through this process the CLT, in partnership with other key stakeholders – such as Gt Yarmouth DC, the Parish Councils and the public – can arrive at selecting a preferred site or sites for a development of affordable housing. By involving planners and the housing team at this stage this will achieve two key benefits – firstly when the site goes forward for

planning permission there are less likely to be any 'hidden surprises' in particular in planning terms; secondly it enable an early discussion on acceptable numbers, type and mix for the site together with a level of identified housing need.

There is scope within planning policy, both nationally and locally, for affordable housing for local people to be constructed on land that would not normally be granted planning permission for housing. These are called Rural Exception Sites. Therefore the CLT can consider sites that are outside of, but adjacent to, the village development boundary. Financial viability of rural affordable housing schemes can often be difficult to achieve, particularly in the current climate of declining public subsidy. Gt Yarmouth Borough Council in the Local Plan has a policy of allowing small numbers of open market sale homes on Exception Sites to facilitate viability, i.e. the profit from the sales can be used to cross-subsidise the affordable homes. The open market units cannot be used to increase profit for the landowner or the developer; this will be subject to rigorous examination by the Council.

Once a call for sites has been concluded and a preferred site or sites identified, the next step will be to develop the site. Those present at the Scoping Day discussed how the CLT might develop a site, with two main options being considered:

1. A stand-alone CLT developing the site itself
2. A partnership between the CLT, a Housing Association and District Council

By developing the site itself the CLT can exert maximum control and influence over the outcome on the site as well as reaping a greater financial reward once the scheme is completed and rents and/or sales income starts to flow. There is considerable commitment required on the part of CLT volunteers to proceed in this way as well as the potential for financial risk to the CLT (not individuals).

By partnering with a Housing Association the CLT can effectively transfer most of the development risk to the Housing Association, which reduces the time commitment and financial risk to the CLT and its volunteers. The disadvantages are that some control is lost, influence is diluted and the financial returns on the completed scheme are reduced as the majority of the rental income will flow to the Housing Association.

There are examples of CLTs successfully completing schemes using both of these development models. There are also successful hybrid approaches where on a given site the Housing Association owns and manages the rented units and the CLT owns any shared ownership units.

At the Scoping Day there was a preference for the CLT/Housing Association partnership approach, but it was not absolutely clear that this was the final decision. Therefore it is recommended that the CLT Steering Group work through the pro's and con's of each model and reach an early decision on which model to adopt.

2.1 Housing Association Partnership

Under this form of partnership, the CLT is the freehold landowner and enters into a long-term (99/125 year) lease with a suitable housing association – also known as a Registered Provider (RP). The RP takes all the risk and responsibility involved in developing, financing and managing the scheme. The CLT receives a ground rent equivalent to circa £4-5 week/home or just over £2000 per year, say for 10 homes and retains the freehold ownership of the land. The CLT in essence facilitates the development and does not have any onerous responsibilities, it does however have the option to buy the HA out of its lease in future years.

The Housing Association will manage and maintain the homes for the duration of the lease.

2.2 Stand Alone

If the CLT Steering Group has a desire for greater control over the development process and the on-going management of the homes then it can choose to develop a site itself. The CLT would need to formulate a business plan that showed how it would develop, finance and manage a scheme. To be eligible to bid directly for public subsidy through the Homes and Communities Agency the CLT would have to register with the HCA as a Registered Provider.

The CLT will need to consider how it will manage and maintain the homes once constructed – will this be in-house (either paid or voluntary) or outsourced to an agent or Housing Association?

3 Forming a CLT

There is an existing group of people that are interested in setting up a CLT for Lothingland (most of whom were present at this meeting). A key feature of a CLT is that it is open and accountable to the community that it serves. The first meeting to publicly float the concept of a CLT for Lothingland invited members of the public to get involved and join the Steering Group. 30 people attended this meeting. CLT East work with CLTs to structure and deliver these types of community engagement activities.

The Steering Group will have the task of establishing a CLT for Lothingland. A CLT could be formed with wide objectives in order to progress the affordable housing aim but leave scope for developing the other aims as they may arise. The main forms of incorporation that can fulfil the definition of a CLT are:

- Company Ltd by Guarantee
- A Community Benefit Society
- Community Interest Company

The next meeting of the Steering Group can examine the factors that may influence the decision on which form of incorporation to adopt. The factors include:

- Trade – will the CLT want to trade now or in the future?
- Grants – are grants more readily available for one form or another?
- Loans – will the CLT want or need to take loans?
- Share Capital – will the CLT want or need to raise share capital?
- Set-up – some forms are cheaper than other to set up
- Tax – are there any tax advantages? Do the advantages outweigh any restrictions?
- Membership – how can the population of Lothingland get involved and influence the CLT?
- Asset Lock – does the form of incorporation lock any assets into the community?
- Liability – do Directors/Trustees have limited liability?

It is recommended that the Steering Group work through the pro's and con's of each form of incorporation and decide at an early stage on the form of incorporation to adopt.

The Scoping Day identified a range of organisations that it may need to form a relationship or partnership with, these were:

- Great Yarmouth Borough Council – including Housing, Community and Planning
- Norfolk County Council (via Council member on Steering Group)
- Parish Councils
- Neighbours to any preferred site
- Other CLTs

Building early and meaningful relationships with other bodies will assist the emerging CLT towards delivering its affordable housing objectives.

4 Support

Practical and financial support is available to the CLT Steering Group in order to progress the formation of a CLT and to progress an affordable housing development.

Community engagement

CLT East can help you to run local events and workshops, stimulate a local conversation and define a clear sense of purpose for the organisation around which to build local support. This is an essential part of the CLT journey.

CLT set-up

Once you've decided that you want a CLT, CLT East can help speed up the legal process and guide you through the various choices. A grant from Great Yarmouth Borough Council may be available to help pay for this. Typically this would cover costs such as seeking independent legal advice, holding local events to gain the support of others, and initial work on development of your business plan.

Business planning

A CLT project needs to be commercially viable and able to attract financial investment. To do this the proposal must be robust and meet an identified need. The CLT East support team can help to build a strong business case and identify the key issues that need to be tackled before the project gets underway.

Development services

Once the business plan has been established and the CLT is set up, the detailed work of acquiring, developing and managing land and property assets begins. CLT East's in-house CLT Development Manager is well placed to advise on these issues. In addition, as part of a national network of Community-led Development advisers, CLT East has access to a wide range of specialists who can help you to make the right decisions.

Access to funding

CLT East is able to help source grants and loans from external funders to help established CLTs finance pre-development costs (architects, surveys etc.) and underwrite community share issues.

There is a range of funds that are potentially suitable for assisting CLTs. This includes See It and Believe It administered by the National CLT Network.

The See It and Believe it fund can make available grants towards expenses incurred through a CLT or CLT Steering Group travelling to meet an existing CLT in order to learn from their experience. This may prove useful in a number of ways including taking encouragement and support from others who have successfully established a CLT or deciding whether to partner with an RP or proceed with a Stand Alone development.

5 Recommendations

It is recommended that the CLT Steering Group:

- Determine the professional advice and fees that are needed to incorporate the CLT and progress an outline scheme then apply for funding (fill in an application for grant)
- Decide whether to continue with support from CLT East.
- Decide which form of incorporation to adopt.
- Decide on the fundamental approach to developing affordable housing – Housing Association partnership or go-alone.
- Conduct a call for sites, whilst respecting the position of the landowner currently interested in a scheme. Involve GYBC and the Parish Councils in selecting a preferred site or sites.
- Consider arranging a visit to an established CLT with support from See It and Believe It.

November 2017
