



CLT Handbook Essentials



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This handbook has been produced by the Community Land Trust Network, the national charity and membership body for CLTs in England and Wales. It is a member-only resource, and is periodically updated.

The guide was first published in December 2012, based at the time on a step by step guide written by Dr Bob Patterson, Steve Bendle and Dr Tom Moore.

Since then, the following individuals have contributed to this handbook, and its accompanying handbooks for affordable housing and local advocacy:

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1. INTRODUCTION TO CLTs

Setting up and running a Community Land Trust (CLT) is an exciting opportunity but it can be a daunting task, especially once you start delving into the more technical aspects of governance, funding or development.

This handbook provides a helping hand and pointers for the essential elements of CLTs. It sits alongside other handbooks that go into more detail on topics like social impact, lobbying and housing development.

Beyond certain legal requirements, there is no 'right' way to set up and run a CLT. But there are plenty of ways to get it wrong or to miss the spirit and essence of CLTs. Treat this as a guide and a reference, not a template.

This handbook is primarily designed for CLT members and their boards, whether you're joining a long-established CLT or starting one from scratch.

It is also a useful source of reference for those that work with CLTs, including professional advisers, local authorities, housing associations, developers, landowners and consultants.

We hope you find it useful!



Resources to help:

Whenever you see this box, you'll find a collection of resources to help you follow the guidance in this handbook.



1.1 What is a CLT?

Community Land Trusts - or CLTs - give ordinary people the means to steward land for local wellbeing, developing and managing homes and other assets important to their local community.

Community Land Trusts are non-profit, democratic organisations owned and run by volunteers.

They own, develop and steward land and other assets like affordable homes, workspaces and landscapes for the long-term wellbeing of their local community.

If you're asking 'can CLTs do this?', the answer is almost certainly 'yes'. The legal definition of CLTs is purposefully broad and encompasses the diverse range of CLT activity (see section 2.2, incorporating, for more details on this).

John Emmeus Davis, one of the pioneers of American CLTs, describes CLTs by spelling out the name:

- A. **Community** - they are *organised* around a place and have a participatory rather than a paternalistic ethos - getting widespread community involvement is important in its own right.
- B. **Land** - they take *ownership* of land and remove it permanently from the marketplace, holding it on behalf of the local community.
- C. **Trust** - they *operate* in a way that prioritises the wellbeing of the local community, stewarding land and safeguarding purposes like permanently affordable housing or the preservation of natural habitats.

1.1.1 Key features of a CLT



Community controlled and community owned

A CLT is set up by the community and for the community. The members of the CLT will control it and the assets can only be sold or developed in a manner which benefits the local community. Unlike many other co-operatives it is not just set up for the benefit of its residents or workspace occupants; unlike many other social enterprises and housing associations, a CLT's board and its purpose is always rooted in the local community.



Open democratic structure

People who live and work in the defined local community must have the opportunity to become members of the CLT. This includes people who live in the CLT's homes, use its workspaces, farm its land, and so on. CLTs may restrict membership to those people who support its aims. The CLT should actively engage members of the community in its work and ensure that they remain engaged in the development and operation of the CLT.



Locking assets for the community

This is a crucial defining feature. A CLT will endeavour to protect the community's long-term interests, for example by keeping its homes permanently affordable. If the CLT decides to sell a home, the cash realised is protected by an asset lock and is re-invested into something else that the trust's members think will benefit the local community - it cannot be paid out to members.



Long-term stewardship

A CLT does not disappear when a project is completed or when a home is sold or let, but has a long-term role in stewarding its land and assets. In some cases, for example, they will remain the landlord of the rental homes or will retain an element of unsold equity in the homes; or they will retain ownership of the public space around homes, or even a large area of farmland, protecting the community's interest for years to come.

1.2 Why CLTs?

Community ownership of land and affordable housing is becoming more mainstream in the UK.

Increasingly, governments and professionals see what many communities already know - that CLTs can be wise stewards and energetic developers.

CLTs are often started with a first project in mind - to build some affordable homes, to bring an empty building into use as a

workspace, or to bring farmland or forestry into more effective and sustainable management. But once this project is completed people often feel empowered to take on whatever the next challenge might be that faces their community, such as purchasing the local

pub when it is about to close, or rallying a community response to a virus pandemic.

There are a number of benefits to setting up a CLT. CLTs can:

- A. Bring new energy and capacity to tackling local needs like housing or climate change, creating stronger communities in the process.
- B. Lock in public or private subsidy through their asset lock, ensuring homes or other assets don't leak out into the private market.
- C. Bring forward land that might not otherwise be available, and make best use of it for the wider social, economic and environmental wellbeing of the community.

1.3 What do we mean by 'community'?

This might seem a strange question - your community is all those people who live or work in your defined area. But the answer can be more complicated than that.

Who is 'the community' in a big town or city, where neighbourhood boundaries are hard to pin down? Is a self-selecting community group democratic? Isn't a parish council a democratic guardian of the whole community? Does a CLT do anything that housing associations aren't already doing to engage and involve the community? Can communities actually do anything at scale?

These are challenges that CLTs have to rise to, questions they have to answer.

They also point to dangers in the CLT model. In the USA, where CLTs originated, there is a lively debate about the evolution of the movement since civil rights organisers created the first CLT in Albany, Georgia in 1969. Many American CLTs are now initiated, top-down, by local

government and their focus is on providing as many affordable homes as possible. Some people have complained that CLTs are losing their community focus and roots. Could this happen in the UK?

One [academic paper](#) on American CLTs sets out four interesting ways to think about community:

- A. **Community control**, where the CLT's activities and strategies come from the organising energy of its members (and not just from a paternalistic board).
- B. **A community of neighbours**, whose relationships and community life are enriched by being members of the CLT and

residents in CLT homes.

C. A community of purpose, where CLT residents share the aims of the CLT and trust that the CLT's staff and board will stay focused on that purpose.

D. A future community of residents who can benefit from the CLT's activities, extending even to future generations so that CLTs steward land for the changing community.

For our movement, 'community' is the unique selling point (USP). While CLTs have pioneered better forms of affordability and might build to higher standards, the fundamental difference between a CLT and a council, housing association or private developer is the 'community' element.

CLTs can be initiated by a council or developer, but the community control needs to be built from the bottom up. That's not easy. It takes time and skill to

reach out to diverse communities in your local area, to get them interested and then involved. It's even harder if you are starting out as a group of busy people with low paying jobs, or if you're all of a particular demographic with few connections with the other diverse local communities.

It's worth returning to this question - "what do we mean by community?" from time to time to reflect on what you are trying to achieve as a CLT. If you're building homes, are you doing so in a way that gives control to the local community? Are you building a community of neighbours, not just flats and houses? Does your CLT membership represent a community of purpose? How are you putting the needs of future generations at the front of your thinking?

Section 4, on community engagement, provides lots of ideas and tools to help you develop your answers to these questions.

1.4 A brief history of the CLT movement

Today there are hundreds of CLTs in England and Wales. They range from groups just starting out to those that have been around for decades; managing a few affordable homes or almost one thousand; stewarding a small community garden or large swathes of farmland.

Whilst the CLT movement in England and Wales is relatively young, CLTs are not an altogether new and unfamiliar concept. There is a long history of community

ownership and management of housing and assets in this country. Letchworth Garden City was based on a model where a democratic community trust owns and

manages the assets on behalf of the community, and could be viewed as an early example of a CLT.

The first 'true' English CLT was formed in 1983, but the movement didn't really start to grow until the 2000s, and by 2008 there were 20 pioneering CLTs that had built 79 homes. By 2020, a decade after the Community Land Trust Network was founded, those numbers had risen to 347 active CLTs with over 1,062 homes built or brought back into use across England and Wales.

North of the border, Scottish CLTs own over 560,000 acres of land, home to some 25,000 people. Community ownership of land is now part of the mainstream policy conversation.

The CLT model as we know it emerged in the USA in the late 1960s when old ideas of common ownership and the stewardship of land for wider community benefit were fused with the pressing needs of African American communities during the civil rights movement.

A number of influential figures in the civil rights movement, including Bob Swann and Slater King (cousin of Martin Luther King Jr) wanted to create long-term opportunities for economic and residential independence for African Americans in the rural South and a CLT, where land is held by the community in trust, could do just that. They also took inspiration from the British Garden Cities; from the Gramdan movement in India, where land was gifted to villages and held in trust by the village council for the rural poor; and the leased-land agricultural cooperatives in Israel.

The first CLT, New Communities Inc., was created in 1969, but it wasn't until the 1990s that the CLT movement really started to flourish in the US, thanks to a favourable policy and funding environment and a lot of shared learning amongst the CLTs. The US CLT movement has proven what community led development can achieve and at scale and has become a significant source of inspiration for communities in England and Wales.

1.5 Some top tips from seasoned CLTs

You may leaf through this handbook and think - wow, this sounds hard and complicated! But don't give up, and don't worry about the steep learning curve.

We hear these three messages from our members all of the time, so keep these in mind throughout your journey setting up and running a CLT:

- A. **CLTs are problem solvers.** You don't usually start out with the perfect skilled board, a deliverable project and bags of money. If you

wait for the perfect conditions, well, you'll be waiting a long time! But never doubt how effectively you can grow and develop. Don't try to closely read this whole handbook and then meet every expectation within six months. It's long and detailed because we wanted to make it comprehensive and useful for groups in different situations. Keep referring to this handbook to solve your problems, to upskill yourselves, and to head towards becoming a robust and well-run CLT.

- B. **You're not alone.** You aren't the first community to set up a CLT, and you don't have to work everything out for yourself. We are here as your national membership

body with resources, training and services to help you. There is an excellent network of enabler hubs able to support you with housing projects. Your fellow CLT volunteers are a wonderful bunch of people often generous with their time and support, so get involved with our member events.

- C. **You won't regret it.** Some CLTs complete a project within two years of setting it up, some struggle for ten years just to get a spade in the ground. You may get to a point where you feel in a swamp of despair (see section 2.1.5 on setting goals!). But great things will come from your persistence, and almost nobody regrets setting a CLT up.

2. SETTING UP A CLT

Starting a new Community Land Trust is, in a sense, very easy. This chapter helps you make sure it's also done well, putting you in a strong position to raise finance, attract partners and achieve your goals.

Every CLT has its own story, and it's always good to understand where yours has come from. For example:

- A. **A recognised need** - in the Shropshire Hills Area of Outstanding Natural Beauty a research project identified a need to improve the management of land between two areas managed for conservation, and they decided to set up a CLT to acquire the land bit by bit and bring landowners together to improve practice;
- B. **A threat** - a lack of affordable housing for their children, with the risk of them moving away, and the closure of the local pub in a remote village in Cumbria inspired the development of the Lyvennet CLT and its subsidiary bodies to tackle these and other local issues;
- C. **An opportunity** - the proposed sale of a former military barracks in Wiltshire led to the formation of the Wilton CLT to pursue a vision of sustainable living on the site.



2.1 First steps

CLTs are normally initiated by local residents, but they can also be initiated 'top-down' by a landowner, developer, council or other organisation. In these cases, there is a commitment to build up the CLT's membership and governance so its members can take control of the project.

2.1.1 Setting up a steering group

The concept of a CLT is relatively new in the UK. For a community group aspiring to set up a CLT, it is best to avoid getting hung up on the technicalities.

It is better to start by gathering a group of like-minded people from within the community, with a range of skills that can help meet the defined local need and make a potential CLT proactive and effective.

It is also better to spend some time exploring your vision and scoping out a project before you incorporate as a legal entity with a bank account. Otherwise, you may find you chose the wrong legal model, creating more work to undo or change it.

So start by forming a steering group.

A group of six people is a good number to start with to ensure that there is always someone to turn to and, equally importantly, a basis upon which to assign different tasks and drive the project forward.

Try to meet regularly - once a fortnight or once a month - to keep the momentum going.

In looking for people to join the steering group, think about:

Credibility - who is affected by the issues you want to address and can you involve some of them early on? Are you aiming to be representative of your local community?

Skills - depending on what you want to do, are there skills you can bring in early like social media, community engagement or housing development?

Connections - are there community leaders who will bring people with them, and help you influence key stakeholders like your council?

You may find volunteers who wish to be involved but have no desire to sit on any kind of committee.

Their enthusiasm and effort can be deployed through various working groups, on particular projects or to fulfil different functions like producing leaflets or reaching out to local community organisations and networks.

2.1.3 Developing your vision and story

It's a good idea, right from the start, to explore and define your vision, purpose, aims.

You've probably started with a gut feeling "I want my kids to be able to afford to live locally"; "I want the pub to stay in the village even though the brewery may pull out"; or "we think we can make better and more sustainable use of this land than the current owner."

From this, work towards an overarching vision for the CLT - a clearly worded, simple statement that outlines the underlying purpose of the CLT. A vision statement is a handy introduction as you

start to reach out to your community and other key stakeholders. Can you describe your purpose in one sentence, capturing the imagination and enthusiasm of those you want to rally to your cause?

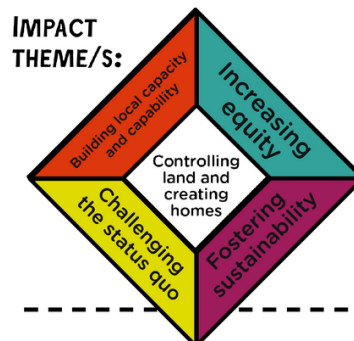
Our Social Impact Toolkit can help you with this exercise. You could use it within your steering group first just to agree how you'll communicate what you're doing. Then you can use it to engage your wider community in developing your vision and to make a plan to measure, improve and communicate the impact you're having. But for now, the card game can be a fun way to open up a conversation about your aims and motivations.

CLT CASE STUDY: Leeds Community Housing

HOMES: Regional homes in pipeline



MEMBERS:



"Increasing diversity in community housing in Leeds and regionally to support those most in need and enable more BAME and LGBT+ groups to develop their own housing."

This CLT used our Social Impact Toolkit to tell its story.

2.1.4 Engaging your community early

It's tempting to try and get your ducks in a row before you reach out to your local community - to get a strong board together and agree the outline of your project, even to incorporate and begin talks with key partners. But this would be a mistake.

CLTs are community led, and your power lies in your community. The very start of your CLT's journey is an exciting time for people to get involved - to discuss what your vision is, what would or wouldn't be a good thing for your community, and how the CLT should work.

You won't necessarily find large numbers of people flocking to get involved. But if you start with an open door you can avoid later accusations that you are concocting secret plans.

What's more, you can make sure you involve or hear from a representative range of voices in your community. No local community will be unanimous, but there's a danger that you assume your group knows what's best. It's particularly important to try and reach marginalised members of your community, whether that's young or elderly people, ethnic minorities or people on very low incomes.

To use the example of the East London Community Land Trust, between 2003 and 2007 the original campaign group

made little to no progress. At this time it existed as a pan-London campaign promoting the CLT concept, but not on behalf of any particular group, beneficiaries or responsible party. It was, in effect, a lobby that gathered periodically - each time with different members - to cry at City Hall, "Londoners need affordable housing, give us some land!" The response, "What land? And who are we giving it to?", was not unreasonable.

The group changed tack with great success - they formed East London CLT in 2007, identified a site in Mile End and drew on the personal testimony of their growing membership in east London. Now they could say "This is Julie. Her three kids aged 16, 12 and 9 all live in the same small room. She earns decent money as a teacher but the average house price in her neighbourhood is £385,000. The school doesn't want to lose her. She doesn't want to leave her community. And there is a big empty, government-owned building sitting empty just three doors down that provides an incredible opportunity to fix this".

The more you ground your vision and plans in the experiences of your whole community the more power you will have, and the less resistance you will face.

We've got lots of tips on how to engage your wider community in section 4.

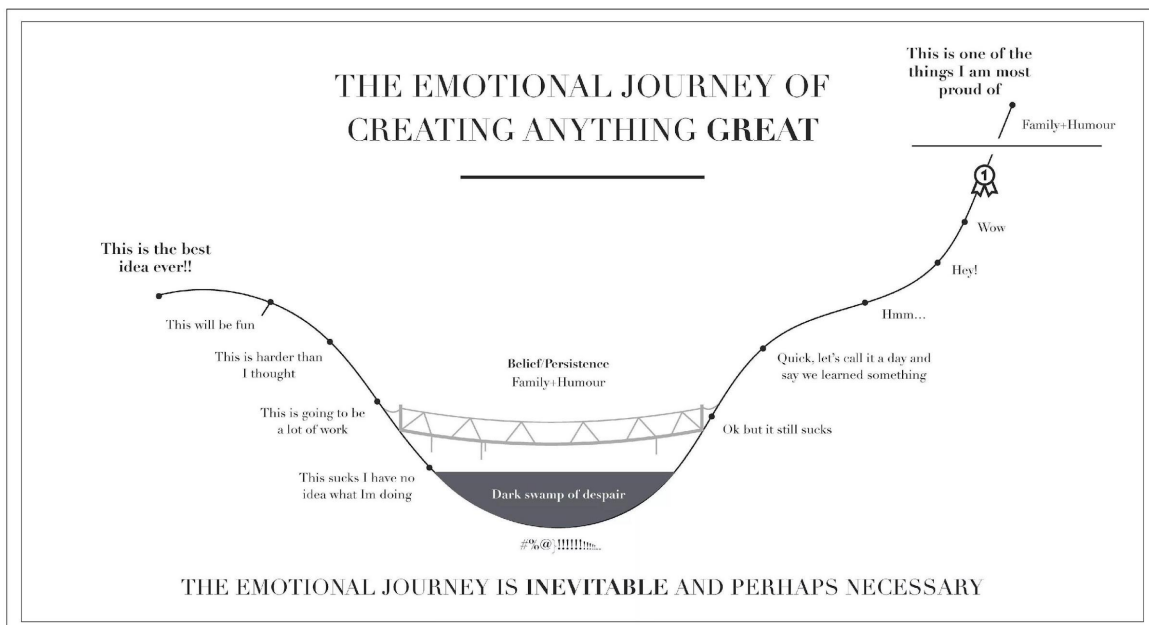
2.1.5 Setting goals

If you start out with big ambitions that take five or more years to come to fruition it can be demoralising for volunteers along the way.

Then the extent of the hard work dawns on us, you feel out of your depth, and then you find yourself in a dark swamp of despair!

In the emotional journey of creating anything great, we all start out excited.

Happily, most CLTs get through the swamp and things get better.



One good way to keep yourself and your members motivated through this journey is with short-term goals. They'll help you keep focused, and remind you that you're making progress and achieving things along the way.

- 3 months from now we will** Hold a public meeting to inform the community of our plans and gain their endorsement to explore the formation of a CLT.
- 6 months from now we will** Establish a number of working groups to undertake different tasks, for example, establishing the best legal structure for our CLT, planning how we will involve the wider community and applying for seed corn funding.

- 9 months from now we will** Form the CLT as a legal entity and sign up our first 25 members, and agree with them our vision and the outline of our first project.
- 1 year from now we will** Have an interim CLT board in place, have developed good relationships with key local organisations and community leaders and be working with professional advisers to take our project forward.
- 5 years from now we will** Start work on site. Have 10% of the local community as CLT members.

2.1.6 Open a bank account and start raising funds

Any organisation needs some level of income to cover its costs at startup. You have two options for holding this money:

- A.** Open a bank account as a local association, making sure that the name of the organisation and the bank account match. Many banks allow unincorporated associations to bank with them.
- B.** Work with a local trusted organisation that can bank on your behalf, making sure that there is a written agreement to ensure accountability and transparency for you and your funders.

We don't recommend you bank informally using your steering group's own bank accounts and money. It could put funders off, and worse could lead to discord and accusations of fraud.

CLTs typically need to raise between £300 and £1,000 a year in the early stages to

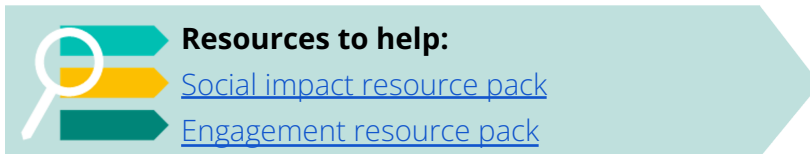
pay for things like leaflets and posters, a website, room hire, insurance and membership of the Community Land Trust Network. Good sources to raise these funds include:

- A.** Local fundraising (town and parish council grants, ward councillor grants, small tin donations, online crowdfunders).
- B.** Local sponsorship and larger donations (business, pro bono support).
- C.** Local government (council grant funds, regional mayors, Local Enterprise Partnerships).
- D.** Charitable trusts and foundations (many are local)
- E.** National Lottery and government grants (e.g. Awards for All)

NCVO and Idox provide a [database of funders](#) which you can search, and it's free for organisations with an income of under £30,000.

Be careful of any conditions that funders impose, and make sure you are able to meet their reporting requirements. You may want to go back for more funding so it's good to build up a relationship and

show them you're trustworthy and effective.



2.2 Incorporating

Every CLT is 'incorporated' as a legal entity - a company or society.

Once a CLT steering group has a clear plan it can be formalised into the appropriate legal entity. Don't rush into this - it can be time-consuming to change to another legal format if you realise - for example - that you need charitable status, or conversely that it's an impediment you can do without.

Most CLTs choose to incorporate as a Community Benefit Society using our simple service. This is a straightforward and cost-effective option - you can use our Model Rules and we will fill in

application forms on your behalf and act as your liaison with the Financial Conduct Authority.

Our rules have been designed with CLTs in mind and aim to be as encompassing of CLT activity as possible. They have been developed with input from two of our corporate partners - Anthony Collins Solicitors and Wrigleys Solicitors - and are based on a decade of experience.

[You can find out more about our incorporation service on our website.](#)

2.2.1 Legal formats

While we offer a service for Community Benefit Societies, there are many legal formats you can choose from.

Although CLTs are a legally defined concept, they are not a legal format in and of themselves.

Your CLT should choose a legal format that would enable it to meet the legal definition of a CLT as legislated in the *Housing and Regeneration Act 2008, Part 2, Chapter 1, Clause 79*:

A CLT is a corporate body which:

1. Is established for the express purpose of furthering the social, economic and environmental interests of a local community by acquiring and managing land and other assets in order –
 - 1.1. To provide benefit to the local community
 - 1.2. To ensure that the assets are not sold or developed except in a manner which the trust's members think benefits the local community
2. Is established under arrangements which are expressly designed to ensure that:
 - 2.1. Any profits from its activities will be used to benefit the local community (otherwise than by being paid directly to members)
 - 2.2. Individuals who live or work in the specified area have the opportunities to become members of the trust (whether or not others can also become members)
 - 2.3. The members of a trust control it.

This means that only certain legal formats would be suitable for a CLT to adopt, and they must have the following features:

- A. Be designed to **benefit a designated community** - rather than members, or any private individuals such as shareholders.
- B. Provide the opportunity for local people to become **members**, and for the members to **control** the CLT (ultimately at the level of the AGM and board).
- C. Protect the assets (such as land, buildings and money) of the CLT through a provision in the governing document called an **asset lock** so that the CLT can only sell assets if this would benefit the community, and if the CLT is wound up any assets will go to a similar organisation.

- D. Ensure any profit/surplus made by the CLT is only **reinvested** to further the objects of the CLT, rather than being paid out to members as dividends.
- E. Have **limited liability** so in the event of the CLT not being able to repay its debts the liability of members and the board is limited to the amount they paid for their membership share (usually £1).

It is important to remember that a CLT is an organisation with a very long life since it is set up to ensure that assets are available and affordable for future generations. Although it is impossible to foresee every eventuality, when choosing a legal format a group should try to consider what the CLT may wish to do in the future as well as in the short term. This will help to avoid complications later

on (such as needing to set up subsidiary or sister organisations which would involve additional cost and effort).

The legal formats suitable for being a CLT can be:

- A. Community Benefit Society (previously known as an Industrial and Provident Society for the Benefit of the Community)
- B. Community Interest Company Ltd. by Guarantee (also known as a CIC)

- C. Company Ltd. by Guarantee which is also a registered Charity (or a Charitable Incorporated Organisation)
- D. Company Ltd. by Guarantee (but only if it has a custodian member of the constitution to ensure that the Asset Lock cannot be voted out).

2.2.2 Charitable status

One important consideration is whether you want to have charitable status, and whether to be a fully registered charity. Although all CLTs are non-profit and are set up for the good of their community, this doesn't by itself make you charitable in the eyes of the taxman or funders. Most CLTs aren't charitable, but for some, it's important to their mission, their identity, and/or their financial plans.

To register as a charity or gain charitable status, a CLT must have an agreed purpose which matches one of the 13 charitable purposes defined by law. Depending on planned activities, suitable ones for CLTs may be 'prevention or relief of financial hardship'; 'advancement of citizenship or community development' or the 'advancement of environmental protection or improvement'.

The benefits of charitable status include:

- A. Eligibility to bid for grant funding from certain funders who only provide grants to charitable organisations (please note that grant funding is still available from some funders to non-charitable asset locked entities);
- B. The ability to buy, sell and gift land at below 'market' rates or for nil value to another charity with sufficiently similar objects (please note specific advice should be taken on proposals to gift, purchase or sell land at below 'market' rates); and
- C. The ability to recover tax in certain circumstances, such as corporation tax.

However, charitable status restricts what your CLT can do - it must use its assets for its primary purposes, which must be charitable. For example, providing social housing and renewable energy for

low-income people would meet charitable purposes including the relief of poverty and advancing environmental protection. But selling homes at a discount to key workers who could conceivably afford to rent privately, or developing a solar farm to reinvest profits into community activities probably wouldn't be charitable.

Once you become a charitable CLT it becomes extremely difficult to cease having charitable status or to transfer your assets to another non-charitable organisation.

You can read our detailed briefing on charitable status (which is mainly focused on housing) for more guidance, and you should seek advice from solicitors if you are considering this.

2.2.3 Registered Provider status

If you are aiming to build or renovate housing you'll need to consider whether to become a Registered Provider with the Regulator for Social Housing (or Registered Social Landlord in Wales).

This regulatory system ensures that providers meet a set of governance, financial and consumer standards that ensure tenants - often vulnerable or on low incomes - and public investment are both protected.

A small but growing number of CLTs have this status, as do many housing co-operatives and all housing associations.

The benefits of registering include:

- A. Access to capital grant for homes let at below-market rents from Homes England, the Greater London Authority and the Welsh Government.
- B. Better mortgage availability for shared owners, as quite a few

lenders won't lend on shared ownership if the landlord isn't a Registered Provider.

- C. More affordable long-term finance and greater market choice, because lenders will have more confidence in the organisation.
- D. A stronger reputation with other stakeholders e.g. your council and funders.
- E. Protection of the public interest and strong oversight of the governance, finance and consumer rights through the Regulator for Social Housing.

However, there can be downsides:

- A. Risk of exposure to government policy, which is mitigated by being a member of the Community Land Trust Network - we have been highly effective in exempting CLTs from policies like the Right to Shared Ownership, the 1% per annum rent cut and the Voluntary Right to Buy.

- B. Risk that the regulator can intervene in your governance if it perceives failures on your part (which you might also think of as a benefit).
- C. The cost of advice/support to register, which can come to as much as £20-30k, and ongoing administrative costs, which are quite minimal if you stay below 1,000 homes.
- D. Less freedom on e.g. rent setting policies, and a duty to co-operative with the council on allocations of rented properties.

When Calder Valley CLT became a Registered Provider in 2019, they commented: *"CVCLT undertook the process of becoming a registered provider of social housing with the Regulator of Social Housing as it aims to be a structural tool for providing affordable housing in the area operating long-term, rather than on one or two specific projects.... [but] found it had not fully anticipated the extent of policies and procedures required as an active registered provider of social housing such as a tenants handbook, complaints procedure, rent arrears policy, and anti-social behaviour policy. Establishing this has been a significant amount of work for the CLT."*

Much of the work will entail checking and improving your Code of Governance and associated policies and procedures. See section 3.1.5 for a list of key policies you will need, and some tips on how the regulator will treat them.

Some CLTs choose not to register themselves, but to partner with a Registered Provider instead. See the next section on partnerships for pointers on that.

As with every choice in incorporation, it is best to decide whether or not to become an RP early on because:

- A. Non-registered CLTs need an asset lock but registered CLTs can't have one because it conflicts with the Regulator's role. So you'd have to set up a new CLT and transfer assets over, wind up the old CLT and ask members to join the new one. It would be a faff.
- B. It takes a minimum of six months to register, and more likely 12-18 months depending on how 'on the ball' you are and how good your advice and support is.
- C. If you want the capital grant, and potentially better development finance, you need to be registered in good time, usually before you start on site or complete the homes.

2.2.4 Partnerships

As a CLT you can go it alone and be in complete control of everything you do. Or you can choose to partner with other organisations.

There's a difference between *partnership* and *contracting*.

You're very unlikely to literally do everything yourselves as volunteers - at some point, you will contract architects and builders, managing agents and accountants for their services. Partnership involves an ongoing relationship and sharing responsibility and control.

It can help to break your vision and objectives down into a series of different functions, so you can ask yourselves: what would our aims be, which of those do we want to do ourselves, and where might we partner with others? For example:

- A. **Land ownership** - securing long-term interests of local community, controlling how the land is used and by whom.
- B. **Property development** - creating local jobs and building to certain standards.
- C. **Housing management** - providing a good service and affordable

rents and service charges to tenants and owners.

- D. **Other asset management** - maintaining land for wildlife, or running a shared workspace for local businesses.
- E. **Reinvestment** - generating a surplus to reinvest in other areas like local community groups or future projects.

For example, many CLTs partner with housing associations to develop and manage affordable homes. One model is where the CLT owns the land and leases it to a housing association, which then builds (and finances) the homes and manages them for the CLT, paying a modest ground rent in return. This can be a fantastic option for communities that want to get the right affordable homes built in the right place, and to have them under community control, but where the community doesn't want the responsibility of raising the finance or looking after tenants.

A variant on this model might be for the CLT to develop the homes and then lease them to a housing co-operative, so the tenants manage the homes and shared facilities themselves.

Your view of partnerships may then influence how you incorporate - e.g. whether to become charitable or a Registered Provider.

If you're considering partnerships, here are some tips to make them a success:

- A. Reach out to potential partners early on so that you understand each other's needs and interests.
- B. Have open, clear communication with each other from the start about needs and expectations, and communication and decision-making styles.
- C. Interview more than one potential partner to be sure you're a good match, don't feel pressured into a bad or unclear partnership.
- D. Be clear what value you will bring to the partner, why they might want to get involved.
- E. Try to understand how the partner thinks, what its concerns about you might be - for example, the

financial viability of your project, or your ability to meet its own standards of governance.

- F. Work with a broker who understands both partners' needs and who can help with meetings and negotiations, lots of the accredited CLH advisers are excellent at this.
- G. Engage a solicitor when needed to give you legal advice and to help you prepare the legal documents needed to formalise the partnership. Don't operate on a verbal agreement.
- H. Both you and the partner need to work hard to develop and maintain effective working relationships, from the start, so put time and energy into this.

If you're considering a partnership with a housing association there is more detailed guidance with case studies in the [Practical Guide to Partnerships](#).



Resources to help:

[Incorporation resource pack](#)

[Incorporation Service](#)

[RP status resource pack](#)

[Partnerships resource pack](#)

2.3 You're incorporated, what next?

Now you are set up as a legal entity you can start to get your operations in order. You may already have started some of these before incorporating, but if not, now is the time to get going.

2.3.1 Recruiting your first board

You may already have plenty of active participants in your CLT happy to step up to the plate to become a board member but you may also need to recruit some more.

You may also want to make sure there is a diversity of skills in your board and so seek out some additional candidates.

When filling your board you want to look for people who bring energy, time, and a willingness to learn and contribute. People with skills who can help you with your needs, including legal, marketing, finance, local connections, housing professionals, etc.

When new members join your board, welcome them to the organisation by giving them a welcome handbook that includes a copy of the organisation's rules and policies, a schedule of upcoming board meetings and a list of the board member roles and duties. Give them a guide to their duties as board members and ask them to sign a written pledge of what they will do as a board member. Give them a chance to introduce themselves to the other board members. Make them feel welcome and comfortable asking questions. Explain the protections, including the directors and officers insurance, that the organisation has in place to help them.

Think about how long you want each of your directors to serve on the board. You want the period to be long enough that they have to learn about the organisation and then do good work for you, but not so long that it becomes a burden.

Give thought to the best times and places and frequency to meet as a board. Does it make sense to have a meeting over lunch? Or in the evening?

We have some guidance on recruiting board members in the webinar [here](#), and you can use online volunteer recruiters to find candidates. These are usually free to use since they are for volunteer recruitment. A good example is [Reach Volunteering](#).

Composition and activities of your board

Your governing documents should establish the minimum number of board members you must have and the rules around co-option but it's good practice to think more about the ideal composition of your board and consider the following:

- A. The diversity of your board members, reflecting the community your CLT seeks to benefit.
- B. The skills and experience you need on the board to achieve your objectives.

- C. Any reserved places on your board for residents of your CLT homes, and other key stakeholders such as a local council or partner housing association for example. Some UK CLTs have adopted the US model of:
- a. 1/3rd residents of CLT homes
 - b. 1/3rd other members of the CLT
 - c. 1/3rd expert/council co-optees.

You should also consider any processes and procedures for board meetings and communications.

At a minimum, you should be publishing agendas and minutes online and providing an opportunity for CLT members to attend non-confidential parts of meetings.

You could further consider how you'll communicate with, and engage, the wider community and your membership - ensuring you'll maintain transparency and encourage participation.

Electing your first board

The Community Land Trust Network 'Model Rules' do not contain a prescribed procedure for the appointment of the first board.

In practice, the rules assume the first CLT members (technically known as 'shareholders') will appoint the first board members.

You can just choose for the founding members to become the board when you start out, or for them to agree who the initial board members will be.

It's important that you do fill the full complement of board positions as early as possible.

Ideally, the founding board members' terms will last until the first AGM, which should be held within 12 months following incorporation. At the first AGM, all founding board members will stand for election by the CLT members, following the procedure prescribed in the Model Rules.

Please note that whilst the Model Rules set a three year fixed-term for board members this can be varied, see rule D12 which states:

"The fixed term shall be for a term of three annual General Meetings unless the Board has set a lower number of annual General Meetings for the relevant Board Member on their election."

As such, it would be perfectly acceptable for the initial fixed term for founding board members to be reduced from three years to one year or less.

It's a good idea to keep thinking about new candidates for the board. Volunteers move on, and sometimes the pressure of controversial or difficult projects can become too much for some. Better to have warmed up members or supporters than to be scrabbling around in desperation when vacancies arise!

2.3.2 Recruiting members

CLTs must have an open membership in order to comply with the legal definition of a CLT, and growing your membership can also enhance your legitimacy. A large membership shows that your CLT reflects your community which can, in turn, help you win support from key stakeholders like your local council.

You first need to set up a register of members. The most simple way to do this is for your Secretary to maintain a spreadsheet. You just need to make sure this is secure - don't email it between you, or leave it on a USB stick on a train!

Next, you need a way for people to apply for membership. It is important to create an open and transparent procedure that follows the rules in your governing document, and that provides you with the means - should you need it - to reject membership applications or to later expel members. So create a form - paper, online or both - that gathers the

applicant's name, address, contact details and date of birth (to ensure they are legally an adult) and that invites them to confirm they support the stated aims of the CLT.

Now you can go out and recruit members. Start this early and keep looking for opportunities to recruit more. You could:

- A. Create a website and utilise social media platforms.
- B. Hold some events where you explain what CLTs are and engage your community in discussion about its needs.
- C. Do some old-fashioned door-knocking with leaflets and membership sign-up forms.

There are lots more ideas in chapter 4 on recruiting members, and on engaging the wider community.

2.3.3 Setting up a bank account and budget

It's a good idea to set up your own bank account for the CLT as early as possible so that you don't need to rely on a trusted local organisation to bank for you. It is a bad idea to bank informally, with board members sharing expenses and receiving funding into their own bank accounts.

There are lots of options for business banking, including one of our corporate partners, Triodos Bank. Most will charge a

set of fees, typically including a fixed or variable monthly fee and transaction fees, so make sure you understand these and budget for them.

It is good practice to ensure that at least two unrelated board members are required to sign off on any expenditure. You can set up your online banking and chequebook in this way.

Appoint one of your board members as Treasurer, and ensure they keep track of income and expenditure. In the early stages, this needn't be more sophisticated than a log in a spreadsheet. But in time you will need to develop a proper budget and be able to work as a board with your accountants to have and understand reports like a balance sheet and a profit and loss statement.

An example operating budget for a CLT might look like this. N.B. the accounting cost is on the low side and assumes you get a discount from a friendly firm.

Publicity e.g. leaflets, website	£100
Events - room hire & catering	£200
Community Land Trust Network membership	£150
Insurance	£200
Accountants	£350
Total	£1,000

Further information on financial management and budgeting can be found in section 3.2.

2.3.4 Website, social media and newsletters

While they aren't essential, a good website can help you promote your CLT and recruit members.

First, you'll need to buy a domain. A domain means you can get a name for your website or email address that just belongs to you, such as communitylandtrusts.org.uk. You can check if your desired domain is available, and you can purchase it, through a website called 123-reg.co.uk. Not-for-profits often use .org.uk. Once you've got a domain you can get a website and a shared email. You may already have an email address so you could get a domain to match or it's fine to have a different email and website if your chosen email name isn't available as a domain.

Many CLTs have a local volunteer who is able to build one for free using a platform

like [Wordpress](#), [Squarespace](#), [Wix](#) or [Weebly](#). It's easy to spend a lot of money on a website, and you're likely to find most funders frown on requests for significant budgets unless you have a good business case for needing more than a basic site. Some examples of strong CLT websites are [Yorspace](#), [Wilton CLT](#), [Forest CLT](#), [Thame CLT](#), [Uppingham Homes](#), [Homebaked](#), [Transition Homes](#) & [Bexhill CLT](#).

What should you include on the website?

- A. A clear, punchy explanation as to what your CLT is about, who you are, and what you're aiming to do.
- B. Information on how people can get involved, and how they can join as members.
- C. Your governing documents, annual accounts/reports, board

meeting minutes, funders etc - transparency is important and will protect you against malicious claims.

You might also want to promote your CLT on social media.

Look out for local groups and influential local figures on platforms like Facebook, Twitter and Instagram to get your message out

Try to get your vision, ethos and personality across too - being 'on brand' instead of being boring will really drive engagement.

If you struggle to produce a lot of content because your project has stalled or there's simply nothing to update people on, it's more than fine to simply re-share posts from others. You can retweet things from the Community Land Trust Network

account, from your local hubs, or from other CLTs. For an idea of who to follow on Twitter, you can take a look at the Community Land Trust Network [list of CLTs](#) and the [accounts we follow](#) which include a wide spread from CLTs and hubs to other organisations who support the CLT movement.

A regular newsletter is a great way to inspire involvement in your project. Send a newsletter regularly (monthly or every other month) so people get used to thinking about your project. Include updates about your project and other news from the CLT sector either locally or nationally that helps convey the idea that they are part of a movement.

Avoid too much text and focus on short bits of information and lots of photos or graphics if possible.

2.3.5 Enquiries

It's important to be open to enquiries as you want to be open and transparent with your communities and avoid missing opportunities that may come via enquiries from the press and other interested people. Make sure your contact details are easy to find. It's harder to deal with an enquiry from someone who is already frustrated and confused when they first speak with you so remove barriers to your users getting the information you know they'll need.

Get a shared email inbox with one email address you can all access, such as [info@...](#) or [enquiries@...](#), and check it regularly! You can have these emails forwarded to your personal email address for ease of access, but it makes it easier to receive general enquiries if there's a general email address for people to use. Try to reply with an email address that clearly shows your connection to your CLT, so that people don't email one organisation but seemingly get a response from another. There are lots of providers of free business email services

to help you manage this, but the industry standard is Google, who offer their [G Suite](#) (email and document tools) for free to not-for-profits.

Set up an automatic reply on your email. Help to manage expectations by including the following:

- A. An explanation that your board are part-time volunteers and so there may be a delay in response
- B. An estimate of how long it'll take to get a response from you
- C. Links to further reading or support they can pursue in the meantime (such as links to learn about CLTs or the history of your project)
- D. Along with setting an auto-response, you can also include the same information on the 'contact us' page of your website. People won't mind

waiting to talk to someone if they know that in advance.

Decide whether you need a phone line.

You'll need to make it easy for people to talk to you but running a phone line can be difficult if you don't have an office or the ability to have your phone manned consistently. Some workarounds include setting up call-forwarding, getting a shared online phone number or clearly advertising different phone numbers for different purposes.

You might find it's a lot of effort to organise a phone line. It's best to set expectations so if you think you can't manage it, it's best to not advertise a phone number at all.

You can always deal primarily with email and then arrange calls with people as necessary.

2.3.6 Team file sharing and communication

Share information amongst your steering group to avoid delays to your project and damaging miscommunications.

Set up a file-sharing system. There are tools available such as Dropbox or Google Drive. These tools allow you to put shared documents in one system that all steering group members can access. They can be worked on collaboratively and auto-saved as you amend the documents, meaning you are all working from the same 'live' versions. It's a good idea to have one steering group member act as Secretary, with responsibility for keeping shared files

in order and disseminating any hard copies if some board members cannot access an online system.

- [Setting up a Dropbox](#)
- [Setting up a Google Drive](#)

Use a communication tool like Slack, Asana and WhatsApp to share quick updates and messages amongst your team. These work like private messaging services so only your team can see the updates you provide. This can be helpful when planning events or meetings where you need to get information to your team quickly.

- [Setting up Slack](#)

- [Setting up Asana](#)
- [Setting up WhatsApp](#)

2.3.7 Contact management

You don't want to lose track of members, as they have a right to vote at your AGM and have a say in how your CLT is run so you don't want to miss any of them when sending important notices. You also don't want to miss opportunities by losing contacts from key organisations or your Local Authority who are in support of your project.

Use a database or Customer Relationship Manager (CRM) to keep a record of members and other contacts.

As a not-for-profit you can use Salesforce for free and they have lots of [free guides](#) to help you get set up.

You can also use a simple spreadsheet that your Board has access to. Make sure to include full names, email addresses and phone numbers, the organisations they work for and their roles (if applicable) and whether they've paid any membership fees to you. But store this securely, with password protection!

2.3.8 Charitable CLTs - Registering with HMRC

If you have incorporated with our model rules for an exempt charity then you can register with HMRC to gain some charitable tax benefits. Please note that you will not receive these benefits if you do not register with HMRC.

Registering with HMRC can be done online and is fairly straightforward as long as you have the required information and documents to hand. You register online [here](#), and you'll need the following information about your CLT:

- A. Bank account details and financial accounts.
- B. [Officials' details](#), including dates of birth and National Insurance numbers.

- C. [Registration number](#) if you've registered your charity with a regulator.
- D. [Charitable objectives](#) (sometimes called purposes).
- E. [Governing document](#) (sometimes called a rulebook) - this explains how your charity is run.
- F. Government Gateway user ID and password - you can create one when you register your charity's details.

As a charitable CBS, you must comply with the Charities Act but you do not have to register with the Charity Commission as well as the FCA and HMRC.

More information about being an exempt charity can be found in the government guidance [here](#).



Resources to help:

[Getting the basics right webinar](#)

[Membership resource pack](#)

[Boards & trustees resource pack](#)

[Government Charity guidance](#)

3. RUNNING A CLT

Although many communities start Community Land Trusts to build affordable homes or regenerate a high street, you need to run a shipshape CLT to achieve that goal. This chapter is all about running an effective social enterprise.

Whether you're approaching a bank for a loan, your council to buy some land, or a regulator to sign off your annual returns, they will all want to see the following features of a well-run organisation:

- A. **Good governance** - a board that understands and discharges its role effectively, with 'living' policies and procedures rather than off-the-shelf templates.
- B. **Sound finances** - well managed to secure value for money and avoid fraud, and with a robust business

plan to show where you are heading.

- C. **Regulatory compliance** - paying your tax, obtaining necessary insurance and meeting your data protection obligations, acting as a responsible and informed social business.

Doing these things effectively will also build more confidence among your members and wider community, and protect you from allegations that could otherwise sink your CLT.



3.1 Good governance

Governing a CLT well, in the best interests of your community and its long-term wellbeing, is about more than ticking boxes. Transparency, accountability and good management will build a good reputation with your local community and other key stakeholders, and ensure that your CLT will stand the test of time.

3.1.1 Purpose

Good governance starts with a clear purpose, and the board needs to lead on ensuring that everyone in the CLT understands what it is.

Working with, or in consultation with, your members and other stakeholders, set out:

- A. **Vision** - an image of what you ultimately want to achieve in your community.
- B. **Mission** - your purpose as a social business, to bring that vision about.
- C. **Strategy** - starting with long-term goals that will focus your activities, and then developing shorter-term objectives that will take you closer to them.
- D. **Values** - your moral compass, the way you want the CLT and the board to act.

You can return to these as a board - do you know where you are heading, and are you on mission, acting strategically, and in line with your values?

3.1.2 Directors' responsibilities

Your Board of Directors (or Trustees if you are a charity) are ultimately accountable and responsible for the CLT. Directors must understand their duties and responsibilities.

The most important is a duty to actively promote the success of the CLT, not merely to abstain from harming the CLT.

The precise responsibilities are subtly different depending on your CLT's legal format, but all are grounded in common law and equitable principles so it is a good idea for directors to bear both in mind.

For CLTs incorporated as Community Benefit Societies, there are three categories of legal duty:

- A. **The duty of good faith** - acting with honesty and integrity; treating information as confidential unless the board agrees to disclose it; supporting decisions that are agreed collectively outside of meetings even if you personally disagree; acting in the best interests of the society and never

to gain personal advantage; and declaring any conflicts of interest so that you are not acting in a position where your duties and responsibilities as a director conflicts with other personal interests.

- B. The duty to take care** - exercising skill and care in carrying out your duties; to undergo training or recruit additional directors if you, individually and collectively, lack skills and knowledge that the board would reasonably be expected to have; reading papers for meetings and participating properly in discussions; and carrying out your role to a high standard, with commitment.
- C. The duty to obey the law** - this includes following the rules of your CLT as well as conducting the CLT's affairs lawfully.

For CLTs incorporated as Community Interest Companies or Companies Limited by Shares, directors must meet the responsibilities set out in the Companies Act 2006. These are there to ensure directors act with probity and diligence and are:

1. To act within their powers as directors, as authorised by the CLT's Memorandum and Articles
2. To avoid conflicts of interest
3. To declare interests
4. Not to accept any benefit from a third party which is offered

because of their position as a director

5. To exercise reasonable care and diligence, and skill commensurate with their own knowledge and experience
6. To exercise independent judgement
7. To promote the success of the CLT, having regard to its long-term success, its employees, suppliers and customers, community, environment, members and to high standards of business conduct.

Conflicts of interest

When standing for the board, and at each board meeting, you should make it known if you have a potential personal or family interest in any proposed business to be discussed at the board meeting.

It may still be appropriate to participate in a discussion on a topic where you have a conflict of interest. The judgement here is for the secretary, the board and you as a director; you should take into account public perception, as well as the reality of the situation. This is particularly true if you are discussing a controversial matter, or developing a project that may be controversial locally. The slightest hint of conflicts can lead to months of mud-slinging that are best avoided.

If a decision or vote is required it is recommended that the conflicted director doesn't vote and leaves the meeting.

If you have openly disclosed your interests and taken no part in the decision to award a contract, you may still provide goods or services so long as the rest of the board is satisfied that it is in the CLT's best interests and it is declared appropriately - e.g. the minutes and potentially the annual accounts.

Directors liability

Directors should enjoy Limited Liability - this applies to all Community Benefit Society Directors.

This means that if the society goes into liquidation or is wound up with outstanding debts, directors will not have to contribute to the assets of the society above the amount of the value of the shares they hold (usually a nominal sum, like £1).

This protection may be lost in certain situations as follows:

- A. **Wrongful trading** - if directors know the CLT was going into insolvency and took no steps to try to avoid it.
- B. **Fraudulent trading** - if it can be proved that directors intended to defraud creditors.
- C. **Personal guarantees** - if any directors are asked by a bank or other financial institution to give a personal guarantee for a loan the CLT takes out.
- D. **Third parties** - e.g. where a director acting on behalf of the CLT makes fraudulent or negligent statements, misrepresents their role or acts without the authority of the board.

Our Directors and Officers insurance will cover directors against these and other liabilities. See section 3.4 for further details.

Being a CLT director isn't only about meeting up at the community owned pub!



3.1.3 An effective board

CLTs need their boards to function effectively, ensuring that the CLT meets regulatory requirements, is accountable to its members and has sound strategic leadership. This goes beyond just meeting the minimum responsibilities outlined above.

There are three key elements to an effective board:

- A. Composition** - between 5 and 9 directors who collectively have the right skills and experience, including a diversity of life experiences to reflect your community.
- B. Behaviour** - working collaboratively, learning from mistakes, and representing the board professionally to members and other stakeholders.
- C. Focus** - both sticking to the purpose (section 3.1.1) and ensuring that this purpose is going to achieve results so the CLT doesn't run in circles.

Evaluating the board's performance and that of individual directors can provide valuable insights. You can do this together as a group, or engage an external provider for something like a formal appraisal of the chair.

Evaluation forms part of the wider development of an effective board as done regularly it can be a useful tool to

identify the positive contributions of directors, skills gaps and assist succession planning.

The [DIY Committee Guide](#) has a fantastic set of resources to help you develop an effective board, including guides for chairs, secretaries and treasurers, and tips for dealing with conflict.

Board meetings

Board members have a responsibility in board meetings to act in the CLT's best interests and in accordance with its objects.

You must clearly understand that, while you are acting as a director of the CLT, your obligations are to it, not to any other organisation you may be involved with.

All board members are collectively accountable for the decisions of the board. Individuals may disagree with a majority decision, but they should act in accordance with the decision reached.

It is important that a board makes informed decisions. That means providing well-researched information to fellow directors in a timely fashion ahead of meetings.

You will find meetings run much more smoothly, and quickly, if you circulate papers in advance and everyone comes prepared.

There will be times that board members will need to make decisions on matters where they do not have specialist

expertise. In such cases, they should seek appropriate professional advice and ensure this is considered when reaching their decisions.

Some signs that your board is operating effectively include:

- A. Regular meetings, perhaps 4 or 6 times a year, that are well attended.
- B. Papers are circulated ahead of meetings and directors come well prepared.
- C. All board members contribute to discussions and bring a diversity of experiences and viewpoints.
- D. Meetings keep to time, covering all papers with sufficient time to give them due consideration, and respecting that some board members may not be okay with meetings running past the agreed finish time.

Accountability

Accountability is a vital part of the governance of a CLT. A well functioning board is accountable to its members for its actions and decisions.

Maintaining the confidence of the membership in the board's ability to develop and deliver the strategic aims of the CLT is important. Therefore, there need to be effective mechanisms for the board and individual directors to be held accountable for its decisions and actions.

There are many ways of ensuring that the decisions and actions of the board are accountable. These include:

- A. Publishing minutes of board meetings on your website and circulating them to members, e.g in a newsletter.
- B. Ensuring that there are easily available ways for members to be involved in big decisions and to make their voices heard.
- C. Regularly communicating with members and making information readily available.
- D. Holding consultations and surveys with members to help develop ideas.
- E. Letting members know the decisions that have been taken and why.
- F. Educating members on the roles of the board and encouraging members from all spheres to consider standing for election, or volunteering in some capacity.

The accountability of board members also extends to their statutory responsibilities; where directors are accountable for their actions to the regulatory bodies.

Accountability is easy to take for granted, but being proactive will ensure you develop a healthy democratic culture that is more resilient in the face of any criticism.

Risk

Managing risk is a key task for the board. You will face a wide range of risks, both

those relating to the CLT itself and those relating to projects.

One of the most common and oft-overlooked types of risk facing your CLT is reputational, especially if you are developing housing that might be controversial locally.

Conducting a risk assessment and creating a risk register will enable the board to identify and control hazards associated with the CLT's activities. This is one of the key policies described below.

Undertaking risk assessments and annually reviewing a risk register demonstrates a commitment to volunteers and members and the adequate duty of care owed to them. They are also an excellent way to identify and overcome problems.

3.1.4 AGMs

All CLTs have a legal duty to hold Annual General Meetings. But they can be more than a tick box exercise, strengthening your commitment to participation and democracy with your members.

As a Community Benefit Society, your first AGM has to be within 18 months of the registration of the CLT and has to be within 6 months of the financial year-end.

You can hold an AGM in person or online. You need to check your rules to make sure you do online AGMs properly - our model rules don't present any barriers to this. You might think about how to make it accessible to more members, offering training or support for example, and bearing in mind that there are still many people with no internet access.

At a bare minimum, you should:

- A. Make the date of the AGM public at least one month in advance, with clear information on the date, time, location and agenda, and start promoting it to your members
- B. Provide members with a proxy form if they can't attend and want to nominate someone to vote for them
- C. Let your members put a motion or question on the agenda
- D. Present your accounts to members for approval, and provide members with an update on your work
- E. Put forward any board members for election or re-election, depending on your rules
- F. Check your rules for the quorum - the minimum number of members you need to attend (in person or online) to be a proper meeting.

3.1.5 Key policies and procedures you'll need

Your governing rules or articles set out the 'rule book' for your CLT.

The model rules we provide for Community Benefit Societies give you a head start on many of your policies and procedures, covering things like:

- A. Membership of the CLT, including members' rights and how they may join, retire, resign and may be removed;
- B. How general meetings of the CLT are to be convened and held, including voting rights of members;
- C. Provisions dealing with paid officers of the CLT (e.g. administrator, chief executive, finance director etc), if applicable;

Some organisations have managed well for years without many agreed policies and procedures, just using these rules.

But then something happens - a problem arises, a member or resident complains about how things are done, several people fall out about something or a claim is made against the CLT.

Without written policies and procedures, these things can be very difficult to manage. It is difficult to maintain fairness and objectivity without agreed policies and procedures.

Having good policies and procedures means that everyone knows what to expect. Without them, those who are confident and self-assured can run things how they want, and the less confident and less articulate may find it hard to have their say.

There is a judgement call to be made about how detailed policies and procedures should be in a CLT. Larger organisations have extensive policies and procedures because there is a need for clarity about what staff should do. In smaller CLTs, the likelihood is that some events are less likely to take place and there may not be such a need for detail.

What a CLH organisation makes policies and procedures about is about balancing practical and sensible judgement with not being overly bureaucratic. There isn't necessarily a right answer!

Policies you need include:

- A. **Code of Governance**, which defines how your CLT governs and controls its activities, clarity on who does what, and assurance that you will comply with relevant statutory and regulatory responsibilities.
- B. **Code of Conduct**, which specifies how members should behave to ensure a high standard of conduct, probity and business ethics.
- C. **Terms of Reference** for your board and any committees, setting out what each body is for, who the

members are and how it conducts its business.

- D. **Conflicts of Interest Policy and Register**, establishing procedures for identifying those activities and interests of members which may carry a risk of bias in the conduct of their CLT duties. It will define when members must abstain from decisions in which they have an interest and how to treat decisions that have been taken in which a conflict of interest has become apparent, including maintaining a record of declared interests.
- E. **Financial Standing Orders**, which ensure that your finances are managed properly and that the assets of the CLT are safeguarded, and sets out the procedures for delegating financial decisions from the board and making transactions.
- F. **Membership Policy** explaining the purpose and roles of members in your CLT, the relevant rules in your governing document concerning members joining, being expelled etc, and how you will seek to involve them in your work.
- G. **Diversity, Equality and Inclusion Policy** setting out how you will ensure equal treatment of your board, members, residents, staff and community members, and how your work will bring about a more equal and cohesive society.
- H. **Data Protection Policy**, which protects residents, members, employees and other stakeholders

from their data being inappropriately used, and ensures you comply with the relevant data protection legislation. See section 3.5 for further information on this.

- I. **Risk Register** that is regularly reviewed by your board to ensure that your board and members are aware of key risks and that these are being properly managed. It would normally be a table with columns describing the risk, the impact if the risk materialised, the controls you have in place to prevent/manage it, any actions you are currently taking to address it, and a score assigned to the impact (1-5) and likelihood (1-5). Those with a high combined score (which you get by multiplying the two) mean the board needs to take action and focus energy on them.

You can get 'off-the-shelf' versions of these, including from our resource packs (see below). But you will need to tweak or rewrite them to meet your needs, and you need to be able to explain to funders, regulators etc why you have chosen them and how they are applied.

If you are going to become a Registered Provider or Registered Social Landlord, you will need to pay extra attention to this. For example, there are three Codes of Governance you could take off the shelf and adapt, but each might need changes:

- A. The Community Led Housing code, written by the Confederation of Cooperative Housing, is tailor-made for community organisations. But if you are charitable or have purposes wider than housing you will need to add detail for these.
- B. The National Housing Federation code is robust and used by hundreds of housing providers. But it explicitly forbids member/resident control, and in other areas may not be appropriate to your size of organisation.
- C. The Charity Code is a robust and detailed basis but is completely silent on housing and residents. So you will need to adopt a supplementary code or policy to address these or add sections for them to the code.

Depending on your activities and stage of development you may also need:

- A. A **Procurement Policy** setting out how you will choose suppliers, which might include consideration of objectives like prioritising local suppliers, or those with strong sustainability credentials.
- B. A **Safeguarding Policy** if you are likely to work with children or vulnerable adults, setting out how you will assess any risks and ensure steps are taken to safeguard those individuals.
- C. **Agency and Employee Management policies**, setting out how you will recruit or procure and manage agencies and employees. This can include dealing with performance issues, having a staff handbook and health and safety at work.
- D. **Allocations Policy** which defines the CLT's approach to allocating housing units to prospective residents. It will set out allocations criteria such as economic and local residency requirements as well as any s106 obligations with the local authority.
- E. **Disposal models** and disposal/occupancy cascade: This defines the manner in which the CLT will release its assets, such as through sale or lease of housing, and the manner in which it will retain an interest in the property for long-term sustainability. The disposal/occupancy cascade can form part of the allocations policy. This gives the ability to provide that the first and subsequent lettings will be on similar terms.
- F. **Reserves policy**, which sets out the CLT's policy on generating and handling financial reserves, including what proportion of turnover must be set aside and how it is to be safeguarded, and the circumstances under which such reserves can be used by the CLT.

3.1.6 Dealing with disputes, conflicts and complaints

Most CLTs will from time to time run into disputes, face conflicts and receive complaints.

They might be about the organisation itself, the actions or behaviour of a board member or one of your projects.

It's really important to create a culture in which you value complaints, and turn them into helpful feedback before they become disputes and create conflict. If you don't, they can take a disproportionate amount of time and resources to resolve, derail your work and create a huge amount of stress for those involved.

You should therefore develop a policy and procedures for your approach to handling complaints.

It is important that the complaints procedure is accessible to those who may want to use it and that it sets out clearly the steps that will be taken to resolve a complaint.

The policy should set out:

- A. Your understanding of what a complaint is (because somebody may not address it as a complaint).
- B. The process for making complaints, which shouldn't involve more than two steps - an initial decision, and then a review if the complainant is unsatisfied.
- C. Clear and reasonable timeframes for the process.
- D. How you will communicate the progress and the outcome with both the complainant and those complained about.
- E. Your commitment to creating a positive complaint handling culture, e.g. through continuous learning and improvement on the board, and setting out information on complaints in your annual report.

The Housing Ombudsman has a very useful and detailed [Complaint Handling Code](#). If you become a Registered Provider you will be required to comply with this, but even if you aren't it is a useful reference.

We also recorded a short video discussing how you can deal with disruptors in your local community. [Watch it here](#).



Resources to help:

[Good governance resource pack](#)
[Boards and trustees resource pack](#)
[Allocations resource pack](#)
[Events and meetings resource pack](#)
[Policies resource pack](#)
[Dealing with Disruptors guidance](#)

3.2 Financial management

CLTs, like any business, need to manage their finances well and be able to report to the board, the membership, the regulator, funders and others.

Your CLT should have, at a minimum, a treasurer who may sit on your board.

This person is ultimately responsible for financial management and reporting. Finding a good treasurer is notoriously difficult. See section 2.3.1 for tips on recruiting board members.

Your treasurer, and your board more generally, need to ensure you cover the following:

A. Compliance and controls - an adequate system of internal controls to ensure that you comply with financial legislation, the requirements of your regulator and any funding agreements. This includes ensuring that your annual accounts are prepared, reviewed or audited as required, and submitted to your AGM and the regulator and that any audit recommendations are

implemented.

B. Reporting - to provide your board with sufficient financial information to guide their decision making, including preparing and managing a budget, accounts and financial statements (Profit & Loss and Balance Sheet). You also need to report back to your members, including at AGMs, with information they can understand.

C. Skills - you may need to develop your board's financial skills and understanding to ensure they understand the information they are presented with, as they are jointly responsible for the CLT's finances.

There are lots of good toolkits, books and training providers on financial management for businesses, charities and social enterprises. We'd recommend the [NCVO guide](#) as a good starting point.



3.2.1 Managing membership payments

All CLTs have a membership, and most likely you'll be charging a small fee in exchange for membership. The amount you charge depends on your membership policy and/or your constitution. Most CLTs charge a nominal £1 or maybe a little more to cover costs. It's important to have a low membership fee to encourage membership as all CLTs must have a fully 'open membership' to comply with the statutory definition of a CLT.

Online payment tools can link up with an accountancy software you might use.

Stripe and PayPal are two commonly used examples. Most of these online payment tools charge a small processing fee, which will be taken from the transaction before adding to your bank account. So, if your membership fee is £1.00, you may get 88p in your account instead. The benefit of online payment systems is that when they link up with your accountancy software, you don't need to keep a manual log on membership payments which helps with accuracy and saves time.

- [Setting up PayPal](#)
- [Setting up Stripe](#)

Keeping track of your income and expenditure efficiently and accurately as you go along means that reporting to your board, filing annual accounts and

reporting to HMRC can be less time-consuming.

Use accountancy software. One of the most common accountancy tools is Xero and some competitors are FreshBooks and QuickBooks. All of these work in similar ways - you can issue invoices, upload bills, log cheques, and import bank statements to keep track of all your finances. Most of these tools also have a reporting function to help with annual returns. If you've never done any financial admin before it can take a while to get your head around it, but there are lots of basic guides to tracking income and expenditure available - [here's one from NCVO](#).

- [Setting up Xero](#)
- [Setting up FreshBooks](#)
- [Setting up Quickbooks](#)

3.2.2 Generating cash to sustain the CLT

CLTs need to budget both for projects *and* the core business of running the CLT. To begin with, you will be reliant on grants and crowdfunding to cover your core costs, but to be a sustainable community enterprise, you need to generate income from your different activities to cover those core costs.

The budget produced by High Bickington CPT, for example, includes forecast income for workshops, community building and the provision of heating from

a wood-chip boiler to all elements of the scheme. The surpluses from all the different elements are then needed to meet the cost of a part-time employee plus a range of other overheads.

When thinking about your core costs, it is important to ensure that:

- A. There is sufficient income to pay for annual recurring costs such as accountants, AGM room hire and refreshments, insurance and CLT Network membership. These are typically in the region of £1,000 per year. If you aren't able to generate the income for these costs then you won't succeed as a CLT. It is a hard truth, but one you can't ignore.
- B. There is sufficient reserve to enable the CLT to withstand short-term cash flow shortfalls caused by advance costs like insurance, late payments, legal fees in a dispute or other eventualities. The alternative is to negotiate a bank overdraft when needed, but this is a less certain or secure route and does not deal with the possibility of incurring unexpected costs which cannot be recovered.
- C. Account is taken of inflation when budgeting for future years, and it is best to budget conservatively.

Your board should receive and sign off quarterly management accounts showing income and expenditure against the

budget, year-end accounts and a budget for the coming year before the new year begins. You may also need to review a cash flow forecast to check that income will arrive in time to meet expenditure and loan repayments.

3.2.3 Annual returns

All registered Community Benefit Societies must submit accounts each year with the Financial Conduct Authority, along with an annual return form. You can submit these using the [mutual society portal](#).

A society must send the FCA their annual return and accounts within seven months of the society's financial year-end. So it's worth registering with the portal and checking you can see the forms a few months in advance to avoid any stress as the deadline approaches. Register for this portal [here](#).

As well as your annual return, you can use the FCA portal to:

- A. Change your registered address
- B. Change your financial year-end date
- C. Change your CLT's name
- D. Submit a group accounts exemption
- E. Register a new society
- F. Amend one of your rules
- G. Get a section 126 certificate (if you want to dissolve your CBS)

If you don't submit an annual return and accounts, the FCA can do one of the following:

- A. Cancel your society registration (the society no longer exists as a legal entity and members lose their limited liability)
- B. Prosecute the society (if convicted, you may have to pay a fine of up to £1,000 per offence and costs)

Community Interest Companies and Companies Limited by Guarantee have equivalent systems through Companies House.

3.2.4 Audits

Community Benefit Societies are ordinarily required by law to appoint one or more qualified auditors to audit their accounts and balance sheets each year. Some funders will also require your accounts to be audited.

However, your CLT may not need an audit every year. There are two exemptions: an automatic exemption for small societies, and an exemption your CLT membership votes for.

The first option, known as a small society exemption, means you can simply 'disapply' the requirement, or appoint two or more lay auditors (a non-qualified auditor, such as a staff member) instead of a qualified auditor if, in its preceding year of account, it had:

- A. Turnover of less than £5000, and
- B. Assets of less than £5000, and
- C. Fewer than 500 members

The second option is to get your membership to agree to 'disapply' the requirement to appoint a qualified auditor. This can only happen if the following conditions are met:

- A. Not required by its rules to have a full audit, and
- B. The value of aggregated assets at the end of the previous year of account was less than £2.8m, and turnover for the previous year was less than £5.6m

With this second option, the general meeting must pass a resolution to disapply the requirement to appoint a qualified auditor. It will pass if:

- A. Less than 20% of the votes cast are against the resolution, and
- B. Less than 10% of all members entitled to vote cast a vote against it

If this resolution is not passed, the society must have a full professional audit and the resolution only operates for one year of account. A society must pass a resolution in each year of account it wants to opt out of the full audit requirement. For instance, if a society's financial year-end is 31 December, it must pass the disapplication resolution before 31 December.



Resources to help:

[Financial management resource pack](#)

3.3 The taxation of CLTs

The notion of Community Land Trust (CLT) does not have any relevance in tax law, and even though a CLT is not-for-profit, you may still be liable to pay tax including on surpluses you create. This section introduces the basics of tax and CLTs.

You should always get professional tax advice. Third Sector Accountancy Ltd has written the following primer on taxation. You can contact them for further advice via [their website](#). You might also find this [tax glossary](#) useful.

3.3.1 Company tax returns

Depending on your CLT's legal form you will probably need to file end of year tax returns with HMRC.

The main tax to be aware of is Corporation Tax. Most CLTs are subject to Corporation Tax on broadly similar terms to companies. Detailed guidance on how company taxation relates to societies is available in the [HMRC Company Taxation Manual CTM40500](#).

Charitable Community Benefit Societies are exempt from paying Corporation Tax on charitable trading profits, rental income, interest and capital gains. Donations used for charitable purposes are not liable for Corporation Tax.

Non-charitable Community Benefit Societies pay Corporation Tax like any other company. While your CLT will not distribute its profits to its members or shareholders, it is still considered to be trading and making a profit, or surplus, on its activities.

You need to [register for Corporation Tax with HMRC](#) once you start trading - don't delay. You should ask your accountants for advice on your liability, how to submit a Company Tax Return and how to pay any tax that is due.

3.3.2 Taxable activities

Various types of income are brought into taxation by law, but the most important for a CLT are trading income, income from property, and investment income such as interest on bank deposits. If a CLT has this kind of income then it should be reporting it to HMRC on a tax return.

It is commonly believed that grants and donations are not taxable. This is not in fact true. What matters is why grants and donations are made to the CLT, and whether they are received in the course of a taxable activity. If the CLT does have a trade or a property income business, and this is subsidised by grants and donations, then these grants and donations should be brought into account for tax purposes when calculating the profit of those activities.

If the CLT does not have a trade or a property income business but does receive grants and donations, then the grants and donations are not taxable. Receiving and spending grants and donations does not of itself constitute any kind of trade.

However, it may be that the CLT is an intending trader or intending to start a property income business. If so, it may be advisable to treat all the income as taxable and all the expenditure as taxable from the point at which you evolve from being a fundraising community group to a CLT with a viable business project. It is never very clear when this line is crossed and if in doubt it is always best to declare the income as taxable or take further advice.

When is a CLT trading?

What constitutes a trade is based in case law that has evolved over time; you can read about the badges of trade [in the HMRC manual](#).

Here are some typical examples:

- A. Holding fundraising events that are clearly promoted as fundraisers is not a trade.
- B. Holding very regular fundraising events (e.g. weekly discos) which say "proceeds to the CLT" probably are a trade.
- C. Collecting and selling donated goods is not a trade - the sale is merely realising a donation.

- D. An auction of promises is not a trade.

A fully mutual trade is not a taxable trade - this is where the members of an organisation only trade with each other and can share in the surplus. For this reason, a CLT can never have a fully mutual trade, since a CLT exists for the benefit of the community, not its members, and its assets cannot be distributed to the members.

Is income from property always taxable?

Income from property is taxable unless the CLT is a charity. This includes rental and sales income, and this should be factored into any financial appraisal for housing projects.

To be a charity, a CLT needs to have charitable objects, a charitable asset lock, and be recognised as charitable by HMRC and/or the Charity Commission.

Community led housing groups are sometimes organised as co-operatives. A registered society with mutual rules (i.e., all tenants are members and all members are tenants) is not taxable on its renting income. However, a CLT cannot be a mutual housing co-operative, since a CLT's membership must be open to the wider community and not just those living in the houses belonging to the co-operative. A CLT can be a multi-stakeholder co-operative, which has a mix of tenant members, community members, and investor members, but

such a co-operative would be taxable on its rental income.

Taxation and community shares

Community shares can be issued by community benefit societies (charitable and non-charitable) in order to raise funds for a project. The income from the shares themselves is never taxable and is classed as equity in the CLT's balance sheet.

Societies can pay interest on shares. Such interest is paid gross, and is taxable on the recipient and should be declared on the recipient's self-assessment tax return.

Interest paid on shares is tax-deductible for the society paying the interest. This may create a complication in the society's tax return, as the interest should not be included as an expense in the profit and loss account but as a movement in equity. In the tax return, you, therefore, need to make a manual deduction for the interest which is not possible using HMRC's software.

Interest on shares should not be accrued in the accounts but should only be included when actually paid, or when new shares are issued in lieu of payment.

3.3.3 VAT

VAT is a tax on the supply of goods and services. Therefore, if you do not supply any goods or services, you do not need to register or charge VAT. Receiving grants and donations is not a supply of goods or

services and there is no VAT on grant income.

If a CLT is carrying on a trade selling taxable goods (like food for example) then it will need to register for VAT if it is over the threshold. There is nothing special about CLTs in this regard and the relevant guidance about when to register can be found on the HMRC website.

If a CLT rents houses on short-term leases or intends to do so, then it is important to note that short-term residential renting is exempt from VAT. This means it cannot charge VAT to its tenants but equally means that it cannot reclaim any VAT on the cost of repairing the houses or any other professional fees. If the CLT bought the houses from the developer, or if they are not new houses, then the CLT will not have been charged VAT on the purchase of the houses themselves.

CLTs may be involved in building houses. The VAT on construction is a complex area so you should always take professional advice. Here is a very brief summary of the main points:

- A. Construction services for new residential homes are zero rated
- B. Professional fees (architects, designers, etc) are standard rated
- C. If a CLT is constructing houses by engaging professionals and builders, then there will be VAT charged on the professional fees, which the CLT will not be able to reclaim if it is intending to rent the

houses on short leases (under 21 years)

There are various ways to mitigate this VAT cost

- A. Rent the houses on long leases once built, which are zero rated, so the VAT on costs can be recovered
- B. Engage the builder in a design and build contract
- C. Set up a trading subsidiary to develop the buildings and incur the costs. Once built, the subsidiary would sell them freehold (therefore zero rated) to the parent CLT. The subsidiary can recover all the VAT.

3.3.4 Stamp Duty Land Tax

This is a tax paid by the purchaser of land and buildings in England. Similar taxes are paid in Wales (Land Transaction Tax) and Scotland (Land and Buildings Transaction Tax). These taxes do not apply to short-term renting.

Normally, if a CLT is developing houses on land it may pay stamp duty on the original land purchase. If the houses are then rented to local people no stamp duty will be paid by the renters. Stamp Duty will be charged if the CLT sells houses freehold or on a long lease.

CLTs will also be charged stamp duty if they buy properties off a developer. There are different rates for buying multiple dwellings. You should take advice on

stamp duty before engaging in a property transaction.

3.3.5 Charitable CLTs

Charities have a wide range of tax reliefs. The following list provides a summary. We have a much more detailed briefing on charitable status and its implications written by Anthony Collins Solicitors and Mazars accountants, which you can [download here](#).

A. Corporation tax

- a. Income from property is exempt
- b. Income from a trade in pursuit of charitable purposes is exempt
- c. Income from investments is exempt

B. VAT

- a. Some income is exempt from VAT, for example, charges for education, welfare, cultural admissions and sports
- b. Some expenditure can be reduced rate or zero rated for charities, such as advertising and power

C. Business rates

- a. Charities get mandatory 80% relief on business rates

D. Gift aid

- a. Charities can reclaim tax on donations to the charity by taxpaying individuals

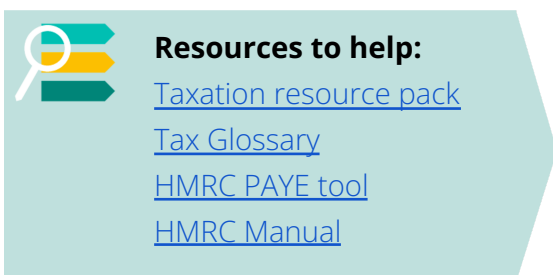
E. Stamp Duty Land Tax

- a. Relief from SDLT when buying a building for a charitable purpose

the early stages, for people to be paid 'freelance' by a CLT. However, care should be taken that the freelancers are in reality self-employed and that there isn't an employee relationship in each specific case. Use the [HMRC tool](#) to check.

3.3.6 Payroll taxes

All CLTs, whatever their structure, have to operate PAYE if they pay wages to anyone. It is very common, especially in



Resources to help:

- [Taxation resource pack](#)
- [Tax Glossary](#)
- [HMRC PAYE tool](#)
- [HMRC Manual](#)

3.4 Insurance

Some insurance is essential as your CLT and your board could potentially be left vulnerable without the correct cover in place, despite the limited liability of your legal form. You may also be asked about, and required to have, various types of insurance for example by funders or event organisers.

We have partnered with One Broker to provide our members with a comprehensive package to protect your CLT and volunteers from core liabilities:

- A. Directors & Officers Liability - £1,000,000 for any one claim (including legal defence costs and expenses)
- B. Company Legal Liability - £1,000,000 for any one claim (including legal defence costs and expenses)

For the full details of the policy wording and terms and conditions please visit the dedicated [CLT members page](#) of the One Broker's website.

3.4.1 What is Directors & Officers Liability?

The aim of D&O insurance is to provide financial protection against the consequences of actual or alleged “wrongful acts”. Common allegation examples:

- A. Mismanagement of the organisation’s assets
- B. Inefficient administration
- C. Violations of bylaws
- D. Improper self-dealing
- E. False or misleading reports
- F. Continual absence from meetings
- G. Failure to file an annual report

Many companies and not-for-profit organisations believe that having limited company status protects them from being sued personally.

This is not the case. A company's limited status offers financial protection to the shareholders in the event that the company has bad debt. It does NOT protect the company's directors and officers from the consequences of their business decisions and activities, which may, under law, result in unlimited personal liability to the extent of their entire financial worth.

The personal assets of a director are at risk as a result of a wrongful act, either actual or alleged! And it’s important to remember that you don't have to be guilty to incur legal defence costs.

Here are some recent claims, to illustrate:

- A. **No authority** - A director was sued by a marketing company the organisation had instructed. The director did not have the authority to enter into the contract and the not-for-profit organisation cancelled the agreement. The marketing company sued the director personally for the costs they had incurred.
- B. **Conflict of interest** - A director was sued by his not-for-profit organisation for a conflict of interest. The director was an investor in a number of other property-owning businesses and concerns, including an organisation from which the CIC was buying a parcel of land. The director hadn't previously declared his involvement and had to defend himself against the conflict of interest charge. Defence costs have reached £6,800 and the case is still ongoing.

3.4.2 What is Company Legal Liability?

This is similar to D&O insurance but defends claims made against the organisation as opposed to individuals. These claims range from breach of data protection, health and safety, taxation and other regulatory claims. Essentially, a claim can be brought by any third party

who claims the organisation has committed a 'wrongful' or an 'illegal' act.

Legislation increasingly holds directors, officers, employees and companies liable for their actions. As a result, the need to defend yourself from potential legal claims has never been greater. The cost to defend an organisation in the event of a lawsuit can be devastating. Company Legal Liability insurance has become a much more common item on the non-profit agenda for the simple reason that more non-profits are being sued.

Here are some recent claims, to illustrate:

- A. Environmental prosecution** - A not-for-profit organisation was prosecuted following an accidental breach of regulations concerning a protected wetland site. No damage was identified and there was no finding of a deliberate contravention or motivation to save costs. The court, however, found that the breach could have been prevented by a robust environmental compliance program. The court ordered the organisation to pay a fine of £4,000 in addition to the £9,000 legal fees accrued. All expenses and compensation were covered by its Company Legal Liability policy.
- B. Breach of contract** - A not-for-profit organisation entertained bids to waterproof the deck around their community

facility. The contract was worth approximately £36,000. ABC Company submitted the lowest bid and was told the work would have to begin within 3 months and then be completed in 3 weeks. ABC Company bought a performance bond, blocked off the necessary time, and in so doing refused to take other jobs. The board was having other work done in and around the facility and encountered problems. A week before ABC Company was to begin work the board notified them they couldn't start and it might be another 2 months before they could come on the site. ABC Company sued the board for breach of contract.

3.4.3 Other insurance you may need

Our partner, One Broker, understands the diverse and specialised nature that CLT groups present and should you require, they can undertake a full appraisal so they can understand your organisation's insurance needs. They make full recommendations and will design an insurance programme, creating a comprehensive solution for you.

The covers listed below are not included within your membership package so if you would like further details on any of the following please contact them and they

can arrange policies to suit your individual Community Land Trust.

A. Public Liability and Products

Liability Insurance - Financial protection in the event of injury or harm to the public or their property caused by your organisation or its products (includes cover for fundraising events and stallholders).

B. Employers' Liability Insurance -

Provides protection in the event that employees or volunteers suffer injury or illness as a result of your organisation and decide to take legal action.

C. Property protection Insurance -

Cover for residential properties, offices, community facilities, contents & stock.

D. Landlord Insurance - Protect tenanted properties, contents and your liabilities as a property owner.

E. Laptop, tablet, mobile phone or portable equipment - Covers the cost to repair or replace critical equipment.

F. Fidelity cover - Designed to replace funds or property stolen by employees or volunteers.

G. Property Developers Insurance -

For contract works, JCT insurance and building warranties.

H. Professional Indemnity Insurance

- If your CLT provides advice in return for a fee, Professional Indemnity Insurance covers the cost of legal fees and compensation awarded if your advice is incorrect.

I. Fleet Insurance - Protection for your vehicles on the road or parked.

J. Legal expenses, travel & personal accident options are also available.

Speak to Phil Smith, Account Executive at One Broker to find out more. Direct Dial: 01223 949006 | Mobile: 07398 49 00 22 | Email: phil.smith@onebroker.co.uk | Website: www.onebroker.co.uk

One Broker is a trading style of One Broker (GDIS) Ltd. Authorised and regulated by the Financial Conduct Authority.



Resources to help:

[Insurance resource pack](#)

[Community Land Trust Network](#)

[Members' Insurance Policy](#)

3.5 Data protection

Nobody wants to get spammed after buying something online or to hear their personal details were left on a USB stick on a train. Data protection is both a legal and a moral duty that every CLT should take seriously.

In 2018 the General Data Protection Regulation (GDPR) came into force. This framework governs how organisations like CLTs collect, store and process personal data.

This means if your CLT collects and uses personal data, even if it's just your membership list or email addresses so that you can send out regular newsletters, you will need to make sure you are complying with GDPR laws.

But don't worry, it's not scary! It's just common sense and making sure the personal data you store is secure and protected.

3.5.1 What classes as personal data?

Personal data means any information relating to a living person that makes them identifiable. The types of personal data that CLTs may hold are (this is not an exhaustive list):

- A. Email addresses for newsletter subscribers
- B. Names and contact details for members
- C. Detailed personal information in housing needs surveys
- D. Personal information of residents they house.

For more information on personal data, visit the Information Commissioner's Office website [here](#).

3.5.2 Key GDPR principles

Accountability

One of the biggest changes introduced by GDPR is around accountability. You need to be able to demonstrate that you are taking data protection seriously, have suitable measures in place and that these are maintained.

Consent

GDPR sets a higher standard surrounding consent, especially if you are asking for and processing sensitive data. You need to make sure that consent is freely and explicitly given, and that you set out clearly why you are asking for the information and how you will use it.

For example, people must tick a box to say they want newsletters - you can't send newsletters to people just because they attended an event.

The right to access

The existing regulations around right to access have been enhanced. An individual has a right to know what information you hold on them, and you will need to be able to provide this information within one month at no charge.

The right to be forgotten

This is a new element of data protection

that means individuals can ask for their data to be deleted and all trace of them removed. For CLTs, at a basic level, this could mean removing information from a marketing database or if a member decides to revoke their membership. Where relevant data is held for tenancy matters and other legal obligations the right to be forgotten does not apply.

Personal data breaches

GDPR introduces a duty on all organisations to report **certain types** of personal data breach within 72 hours to the Information Commissioner's Office (ICO). This is when a breach (i.e. loss or theft of data) is likely to result in a high risk of adversely affecting individuals' rights and freedoms. For example, if the address and bank details were lost or stolen for a CLT resident.

3.5.3 Steps you'll need to take

Register with the Information Commissioner Office

Most CLTs, particularly established groups with homes, will need to register with the ICO. To check if your CLT needs to register take this quick [self-assessment](#).

The ICO website is a great resource, and they also have a very helpful telephone line if you need to go through something in more detail. [Here](#) are the ways you can contact them.

Adopt a Data Protection Policy and Privacy Notice

To be GDPR compliant, an organisation needs a data protection policy which has

been agreed by your board. This should summarise the ways you collect and process personal data and it is also important in reassuring your members that you'll be treating their data responsibly.

You should make sure you display a privacy notice linking to this policy on your website.

- A. Who is collecting the data?
- B. What data is being collected?
- C. What is the legal basis for processing the data?
- D. Will the data be shared with third parties?
- E. How will the information be used?
- F. How long will the data be stored?
- G. What rights does the individual have?
- H. How can the individual raise a complaint?

You can find a template data protection policy for CLTs [here](#).

If your CLT is sharing data to provide a service, i.e. working with a housing association or a developer, you will need a data sharing agreement. When data sharing is a contractual necessity, you will need to make sure it is clearly communicated to individuals that data sharing takes place and why it is necessary. If data being shared is not due to a contract, then the individual will need to give clear consent for any data sharing to take place.

Your data sharing agreement should cover the following points:

- A. What information needs to be shared.
- B. The organisations involved.
- C. What you need to tell people about the data sharing and how you will communicate that information.
- D. Measures to ensure adequate security is in place to protect the data.
- E. What arrangements need to be in place to provide individuals with access to their personal data if they request it.
- F. Agreed common retention periods for the data.
- G. Processes to ensure secure deletion takes place.

Undertake an information audit

Establish exactly what personal data you hold, why you require it, how you use it, where it is stored and if it is up to date.

Having done this exercise you can review and update your policy, and ensure your procedures comply with it. Here are some points that you should think about:

- A. Why do you use personal data?
- B. Who do you hold information about?
- C. What information do you hold about them?
- D. Who do you share it with?
- E. How long do you hold it for?
- F. How do you keep it safe?

Embed privacy and security features into your day-to-day operations

It's important that your CLT takes GDPR seriously. Get into the habit of questioning what data you really need and how you will collect, store and process this data of your members, supporters, partners and residents from now on.



Resources to help:

[Data protection resource pack](#)
[ICO self-assessment](#)
[ICO contact details](#)

4 ENGAGING YOUR COMMUNITY

Good community engagement is at the heart of the CLT model. As mentioned at the start of this handbook, CLTs have a participatory ethos, and the widespread involvement of the local community is as important as the homes you build or the land you manage.

Engaging with and involving your community will:

- A. Help to build local cohesion.
- B. Ensure that you operate in the interests of the whole community.
- C. Keep them on-side e.g. with a planning application.
- D. Give you greater credibility with stakeholders like your local council.
- E. Bring more members and volunteers into the CLT.

Membership should be at the heart of this strategy.

Developing a large and engaged membership will make you a stronger organisation - more rooted in your community, more legitimate in the eyes of your local authority, more sustainable as volunteers come and go.



Resources to help:

[Membership resource pack](#)

It's a good idea for your CLT to have a **community engagement strategy**, setting out why and how you want to engage your community.



4.1 Levels of engagement

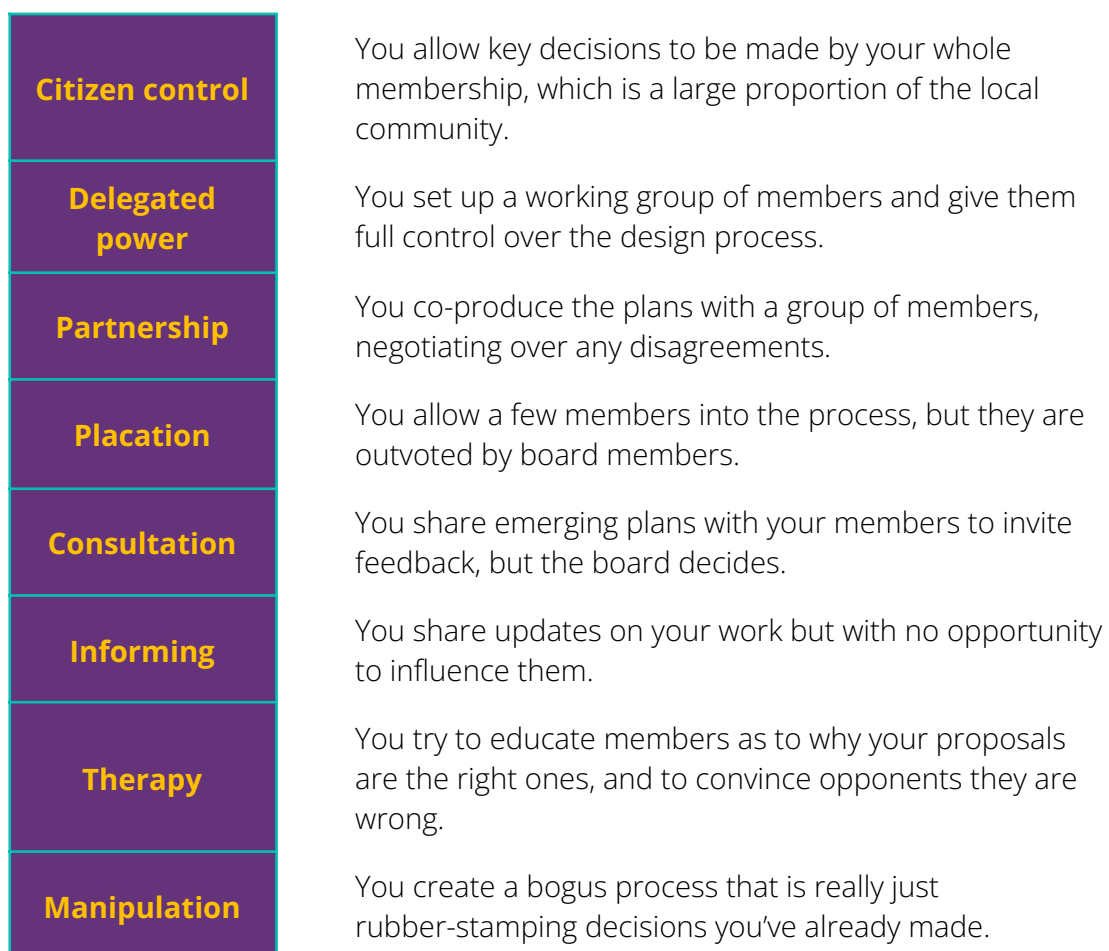
We've all been on the wrong end of a sham consultation or been presented with a final decision that we wished we could have influenced. Engagement can happen at different levels, but it has to be genuine.

Of course as a CLT you *are* controlled by local people. Your board must have a majority of local members on it. But it's too easy to gradually lose the participatory ethos, and to slide into a paternalistic outlook - we know and decide what is best for our community.

Some CLTs have fallen apart when the local community disagreed, and felt they were being manipulated!

Sherry Arnstein coined the term 'ladder of participation' in 1969. It's a good way to think about what sort of engagement you want and to avoid tokenistic or non-participatory forms of engagement.

Imagine you are designing some homes with your architects. Which of those do you - the CLT board - employ, and at what points in the process?



4.2 Tools to reach out

The best method to use to engage with the wider community will depend on the reason for making contact.

Thinking about the table above, are you looking to inform, consult, recruit participants and members, or develop partnerships?

Here are some good ways to reach out:

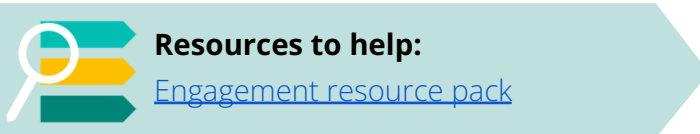
Method	Informing	Consulting	Recruiting	Partnership
Local press, newsletters, website	✓ ✓ ✓	✓	✓	
Social media	✓ ✓	✓ ✓	✓	
Leaflets in local cafes, churches etc or delivered door to door	✓ ✓ ✓		✓ ✓	
Surveys, door knocking		✓ ✓ ✓	✓ ✓	
Public meetings, coffee mornings	✓ ✓ ✓	✓ ✓	✓ ✓ ✓	✓ ✓
Exhibitions, open days, street stalls	✓ ✓ ✓	✓	✓ ✓	✓
Focus groups	✓	✓ ✓ ✓	✓ ✓	✓ ✓
One to one meetings	✓ ✓	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓

Community engagement inspiration from other CLTs:

- A. Some CLTs have conducted volunteer surveys and diversity audits of board or membership. These can be a good source of information for a CLT to figure out where you need to reach out to engage all sections of your community.
- B. Forest CLT put together a series of videos called [‘Stronger Homes Together’](#) with members saying why they got involved to recruit members on social media.
- C. Continuous open engagement is key, and that comes from updating membership and the community at large with the group's activities and thought processes. SAFE Regen’s Destination Bootle Project has pages on its website where the community

can learn about [community engagement](#) and [provide feedback](#) to the CLT. See section 2.3.4 for more information on keeping members informed with social media and newsletters.

- D. Meet community members where they are or based on what they need, and that might be non-housing activities. South Bank Community Housing has set up a weekly eco-shop that has helped to recruit new members, Swansea Cohousing has collaborated with a grassroots project to provide community e-bikes and other CLTs got involved with food banks and mutual aid during the pandemic, which grew their membership and local profile.



4.2.1 Staging a good real-life event

Having decided to gather people together, choosing the right kind of event for the proposed audience is important. It will depend on the stage of the project and who needs to be involved. Events are a chance to introduce your CLT to members of the community as well as important community organisations or stakeholders (i.e. your council) that could be important to the future development of your project.

An **informal gathering** where people can drop in when it suits them, such as a coffee morning or an open day, is often good at the start of a project. At this point, awareness-raising is the main aim, as is trying to attract members of the community who wouldn't normally attend a more formal event. What is critically important is that everyone knows who has put on the event and why, and what is expected from them as participants.

A more **formal and structured meeting** will suit some people better, particularly busy people with limited time. If there's a need to seek clear decisions on particular issues, this is probably the best format. It's a good format for reporting back on actions taken and progress made. Make sure that people know the purpose of the meeting in advance, how long it will take, what will be discussed and what decisions will be needed.

You can also combine the two. For example, Bristol CLT turned a General Meeting into a quiz night for its members, fitting an update on the CLT's activities and one item of business into the quiz rounds. Formal meetings don't need to be boring!



London CLT and their architects, JTP, used this board to get lots of ideas and input early on in their design process, a good way to engage lots of local people in a non-technical discussion about the local area.

Barriers you could overcome

There are lots of reasons why people might not attend your meetings and reasons why you might unintentionally put people off. Have a think about what you can do to address these:

- A. **Age-related** - children, young people and some older people will require innovative ways of engagement. It's OK to have fun! Some groups have invited local musicians to play in the background or provided a crèche and play areas for children.
- B. **Attitudes** - within your organisation, and of researchers
 - e.g. towards Black and Minority Ethnic or transgender people; choose people who have empathy as well as objectivity to do the engaging.
- C. **Lack of understanding** - of individual circumstances or a different culture or religious custom.
- D. **Lack of transport** - provide contact details in publicity information for anyone needing a lift and coordinate lift giving on the day.
- E. **Convenience** - people can drop in when they can.
- F. **Low income** - they may feel that they won't be listened to or can't

afford to get there and so choose not to take part; consider offering prizes or expenses.

- G. **Religious beliefs** - some people may not be comfortable meeting in a pub, for example, and you should avoid major religious holidays.

Planning is everything

Good meetings, formal or informal, are very well planned - they do not just happen. Here are some pointers to planning and running a successful meeting:

- A. **What is the purpose of the meeting?** Start by thinking what you want to come away with and get agreement on and keep this in mind as you plan the various aspects of the meeting.
- B. **Have you got the right people coming?** Do you need to do some face-to-face invitations to encourage attendance? Are there some influential local leaders that can be invited who will bring along others with them?
- C. **Break down the meeting into parts** with a clear beginning, middle and end - set out at the outset the purpose of the meeting and how you will use the time in the meeting. Structure the time, allotting a realistic amount of time for each task/agenda item, tell the participants how long an item should take or how long they have got if doing a group exercise and

how long left, e.g., "5 minutes to go!". Put the timings on the master copy of the agenda for your own purposes and move things along as needed to keep to time, without cutting across valuable discussions if they are proving productive - i.e. be structured but flexible.

- D. **Start and finish on time.** Don't hang on for stragglers and always finish when you said you would, by maintaining focus.
- E. **Sum up at the end.** Review any actions and who will take them and by when, and make clear the next steps and thank everyone for their contribution.
- F. **Follow up.** It is important to keep the momentum going and follow up actions agreed at the meeting as quickly as possible, and also to analyse and report any results from any research, to track decisions and publish outcomes.

Evaluating how the meeting went and noting what worked and what didn't and who made valuable contributions is always a useful exercise.

When planning, this checklist can also help you make it a success:

- A. **Timing** - consider the best time of day for the majority of the target audience. Make sure it doesn't coincide with another event - local or national. Avoid school and summer holidays or religious festivals when many people are

away or are focussing on other issues.

- B. **Venue** - find one that is fit for purpose, is near public transport, has cycle and car parking if appropriate, and that is accessible to people with disabilities.
- C. **Room layout** - use a layout that is informal or formal and where it is easy to see and hear the speakers. People tend to sit at the back so chairs in a circle with no tables encourages group interaction. Check out any health and safety issues.
- D. **Equipment** - you may want to use digital projectors, screens, microphones, amplifiers, flipcharts, paper and pens.
- E. **Hospitality** - don't forget tea/biscuits and catering, and allow time for people to mingle.
- F. **Paperwork** - you'll need a signing-in sheet, displays, handouts - remember to keep and record everything!
- G. **Personnel** - remember to chair, meet and greet, facilitate and note-take. Don't forget name badges and get the right people there to bring about results.
- H. **Greeting** - make sure there is someone friendly at the door to welcome everyone who arrives and let them know where to find the food and drinks, toilets, agenda, etc.
- I. **Publicity** - you can never do enough, before and after.



4.2.2 Staging good online events

None of us really wants to spend our free time staring, bored, at a computer screen. It's even worse if the event is chaotic or you can't work out how to participate.

Here are some general features of a good online event:

- A. **A purpose!** Before beginning, ask why, why and why again. Does this event really need to happen? Why? What is this event offering that other ones out there are not? What do I want participants to leave the event knowing/excited about/prepared to do?
- B. **A producer** who 'runs the show' in the background. This cannot be the same person who is speaking or presenting, and for a larger event, it's important to have multiple producers to deal with technology or joining issues, organise questions from the audience and, in general, pay attention to the needs of the attendees in a way that the presenter cannot.
- C. **Craft your event for a group of others and not yourself.** Not everyone's brain works the same as yours and not everyone is comfortable participating by speaking out loud, especially at a daunting public meeting. You need to build in multiple ways for

people to communicate and interact (large group, small group, chat, whiteboard, etc). **Liberating structures** are a key way to level the playing field so everyone can feel more comfortable participating. There are examples of liberating structures below.

- D. **Separate the information you want to present into digestible chunks.** You should not be presenting information for more than 15-minutes at a time without an opportunity for the audience to interact and internalise that information. The interaction could be as big as going into breakout conversations or as small as having people raise their hands if they feel like they're understanding the information so far.

A nice pattern to try:

15 minutes maximum of content → an activity to engage the audience and get them involved → some opportunity for the attendees to feed that information back to the presenter (could be via chat, for example). **Then repeat!**

In a 1-hour event, you might get through this cycle 2-3 times. Be

sure to give attendees comfort breaks every 1.25 hours if your event is longer, with a larger break of 10-20 minutes every two hours if it goes on that long.

An **informal session** is based on sharing experiences and ideas. In this sort of event:

- A. The participants do most of the speaking, Zoom meetings or a similar type of software are best.
- B. The host's main role is as a facilitator of a useful, illuminating or inspiring conversation. The hosts/facilitators can play a key role in bringing together what people are saying at the end and drawing out some commonalities.
- C. It is important in an informal event to get the participants speaking early-on so that they are comfortable, otherwise, only talkative participants could dominate the event throughout. Consider a soft open in which people are told instructions and sent directly into a break-out room to introduce themselves and discuss, for example, what they'd like to get out of the session.
- D. Consider organising networking events on the subject of community led housing or larger topics that would draw new stakeholders. For example, Oxfordshire CLT organised a 'housing and land' networking

event that brought together key people working on housing, homelessness and land issues to build a coalition in the community.

A **formal presentation** can be an information-heavy presentation from experts.

The danger is to revert back to the old-fashioned format of 45-minutes of a PowerPoint presentation with a mad dash 15-minute Question and Answer period at the end, which can leave the audience unengaged or passive. If they don't engage, they can't learn by doing.

In an ideal world, PowerPoints and slides should be limited to avoid the presenter simply reading off of them. Slides are most useful for providing overall bullets and helpful graphics.

One way to preserve the professionalism and formality of a presentation yet still involve the audience is to break the presentation down into 2 or 3 chunks of information, each chunk being no more than 15 minutes long. After each chunk, there should be an opportunity for the audience to engage/interact, whether that be through a poll on the information presented or coming up, a Question and Answer section related to that information 'chunk' or another type of engagement.

This type of presentation is typically conducted with software such as zoom webinar. Depending on the size of your desired audience and how much you'd

like them to participate, you can still hold this type of event using software such as zoom meeting but modifying the permissions of the attendees to chat to the whole group, unmute themselves, etc. To avoid distracting speakers, we recommend at least limiting audience chat permissions to only be able to chat to the hosts instead of the whole group (see the resources at the end of this section for more practical guidance).

If the presentation is more like a panel event, each speaker can speak for one 'chunk' with an opportunity to interact afterwards, or every speaker could give a very short summary (5 mins) and then the audience questions and interests based on engagement could dictate the structure of the remaining sections.

Or you could organise a **wildcard event** that's out of these standard categories:

For a large conference or exposition that might have booths in person, you can create a shareable PDF that acts like a conference agenda, with a menu of plenary and other smaller events attendees can attend by simply clicking on a link.

For public meetings and consultations where you'd like to involve as many parts of the community as possible, online events or recorded online events offer a way to get to a larger audience who maybe can't turn up to a public meeting at a specific time of day due to work, mobility, expense, etc.

One suggestion we've heard is to have a panel discussion of experts as a plenary meeting, then breakout sessions with groups interested in certain topics. Then, even those who can't make the meeting can rewatch and provide their questions, which can be answered publicly by the CLT on their website or newsletter to be accessed at any time.

Some ideas of liberating structures and diverse methods you can use to engage attendees: (complete list with details of each at liberatingstructures.com)

- A. Having attendees draw something that symbolises their community, or other creative ways to draw their input besides speaking to the whole group.
- B. Asking 'who's got a different take on that' after someone speaks.
- C. "1, 2, 4, all", where attendees consider a question alone for 1 minute, then in pairs for 2 minutes, 2 pairs combined into 4 people for 4 minutes, then come back together in the full meeting to share what was discussed, which creates more energy and is easier for some people than sharing in a big group straight away.
- D. Interacting through whiteboards
 - a. [Google Jamboard](https://jamboard.google.com) is basic and easy-to-understand
 - b. The built-in zoom whiteboard is useful and easy-to-access. To access, simply click the 'share

screen' button on the host toolbar and instead of selecting one of your computer windows, click 'whiteboard'. All participants can then collaborate there.

- c. [Miro](#) is better for more complex discussions, especially within teams

Check your own set-up if you will be a presenter:

- A. Watch yourself on a recording to learn how you look to others
- B. Use headphones to get a clear sound when you speak
- C. Don't sit in front of a light source (window, lamp) but have one off to the side instead
- D. Try to keep your notes located near your camera so it doesn't appear that you are looking elsewhere

Follow up and reflection after event:

- A. Speak with your producer after the event to discuss what worked and what didn't
- B. Send any presentation materials, recording and resources discussed to attendees in a follow-up email
- C. Send a simple feedback form in the follow-up email. A Google form template to start from can be found here:
<https://docs.google.com/forms/d/1nzTxUvUsv5RZFdNGSx6QpN161V>

[k_1USc6jVu7Vxq3OA/edit?usp=sharing](#). [Be sure to click the three dots in the top right corner and to select 'make a copy' so you don't edit our template!]. To send to specific email addresses or to get a shareable link for your surveys, click the large 'send' button in the top right corner.

- D. To easily share a recording from zoom, upload the MP4 file onto YouTube but publish it as an unlisted video. This way, only those who receive the exact link from you can view it.

Tips on online events CLTs learned in lockdown:

- A. Consider which groups you cannot reach with your online event (could be older people, those without internet access) and think about how you could get information to them (such as handing out pamphlets at local grocery stores).
- B. Some of the most successful events that increase CLT engagement and membership were not directly related to their development projects. For example, many groups held viewings of housing documentaries or co-hosted events with like-minded community organisations to reach new audiences.
- C. CLT participation in events held by like-minded organisations helped

to raise the profile of the CLT with their local community and even their local authorities.



Resources to help:

[Events and meetings resource pack](#)

[Liberating Structures](#)

4.3 Community organising

Community organising is a popular approach among CLTs that will take you beyond outreach. It is a way of deepening your connections with your community and rooting your CLT's work in their needs and aspirations. Community organisers reach out and listen, connect and motivate people to build their collective power.

There are lots of different approaches to community organising, but here are some common features you could adopt:

- A. Reaching out to people where people are already organised - churches and mosques, schools, local clubs - and contacting existing community leaders who can help you to connect with their community.
- B. Starting with an open mind, listening deeply to the concerns and motivations of people about their lives and their views on your local community, rather than going to tell them about what you're going to do or consulting them on your plans.
- C. Meeting initially one to one for an informal chat, just to get to know the person better. You can build trust by showing that you want to

listen, to understand and to bring them into your work as an equal.

- D. Identifying common goals together, and developing a strategy for the CLT to achieve them which involves them.

This can be a particularly powerful approach if you want a more diverse and inclusive form of community engagement. It can be hard to reach out beyond your family, friends and neighbours. You may find the audience in your public meetings isn't representative of the local area - there may not be many younger people, or people from ethnic minorities, for example. With this approach you can reach out to people you never meet or talk to, through knocking on their doors, standing at school gates, going into community centres, visiting mosques and churches and local clubs. Nobody is hard

to reach - you just need to go to where people are.

At the heart of community organising is the idea of power - bringing together people and communities who feel powerless, and through your CLT, building power. So build your community with the least powerful and the most marginalised. This can be as important a part of your CLT as buying land or building homes.

Heart of Hastings CLT fundraised to employ a community organiser, Sam. He organised a “BUD team” - Bottom Up Development. In their words:

BUD are a self-defined group of “more than individuals” with a sense of identity, purpose and ownership of Heart of Hastings. They use the acronym BUD in the sense of a plant emerging and developing, and BUD is a space for development.

BUD are not volunteers in any traditional sense: They run projects and events and speak out for community development. Throughout this is seen as an exchange among equals, it is not a philanthropist/ beneficiary relationship.

Heart of Hastings is part and parcel of the community, with bottom-up development at its core, but we are a Community

Benefit Society with a governance structure not suited to anarchic decision making. It takes effort to live the values and BUD members are there to remind us of our aims and values.

Decisions ratified in the boardroom will almost certainly have been chewed over in the social spaces between meetings first, but we still have a BUD rep at board meetings and a BUD member on our board of trustees.

This does not preclude differences between viewpoints and the need to understand different perspectives. It makes for a healthy tension that keeps the commitment to bottom-up development vibrant.

You could start your community engagement strategy by mapping out all the people and networks you might reach out to, and then sharing them out among your board. Take some weeks or months to go on a “listening campaign”, and invite people to then join your CLT to tackle the issues you’ve started to talk about.

Our Social Impact Toolkit can help you to begin to turn this into a vision, as described in section 2.1.



Resources to help:

[Social impact resource pack](#)

4.4 Developing new leaders

If CLTs are about building and sharing power, then it's no good relying on a few strong individuals to lead your CLT. Not least because some of them may want to move on to other things eventually!

Shared leadership places less burden on a few individuals. It is more democratic and it helps you to grow your organisation without there being a big gap between leaders and followers.

Developing a diverse set of leaders can also give you greater reach and impact. You can better reach different sections of your community, and you may have a more powerful voice when speaking to your council. Defy the accusation that you're "the usual suspects", or "all middle class", or other myths.

Your community engagement work should therefore include giving everyone a chance to be a leader. This doesn't need to lead to chaos. You just need to look for the people that get things done, that have ideas, that other people look up to, or that have a certain spark that you might help to ignite.

Take time to train and develop future leaders so they can take on different tasks and roles.

The "snowflake model" is a community organising strategy that distributes power among leaders in a manageable way. The model was popularised by the writing and teaching of Marshall Ganz and the field programs of Barack Obama. It aims to get away from the idea of the board doing all

the work, or just telling everyone else what to do.

Instead, you involve a wider group of people and assign leaders for different tasks. Those leaders can develop a team around them, and may in turn delegate tasks to new leaders in their group. Your CLT becomes a connected network of leaders, unique to your CLT, like a snowflake. The great thing about this approach is that your members don't need to jump straight to joining the board. They can start out just leading on the CLT's work to organise an AGM, reach out to some local churches and mosques or investigate a grant opportunity. Over time you can develop their skill and confidence to take on more leadership roles, and even become an amazing spokesperson for your CLT.



