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**TITLE: East Cambs Community Land Trust**

Committee: Finance & Assets Committee

Date: 4 March 2021

Author: Director Commercial

[V147]

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1.0 ISSUE

1.1 To receive further information on East Cambs Community Land Trust

2.0 RECOMMENDATION(S)

2.1 Members are requested to note this report.

3.0 BACKGROUND/OPTIONS

3.1 On 26 November 2020 (Agenda Item 13) Members requested a detailed briefing on East Cambs Community Land Trust (ECCLT). In summary Members requested the briefing to contain the following information:

- How long has ECCLT been in existence?
- Purpose of ECCLT
- What is the business of ECCLT?
- Who can become a member?
- What is the process for someone to become a member?
- What is the relationship between East Cambs Trading Company, East Cambs Community Housing and ECCLT?
- What is the purpose of the affordable housing contribution secured through the Barton Road, Ely development?

3.2 Background, Purpose and Business of East Cambs CLT

3.3 ECCLT was incorporated in November 2017. The CLT is incorporated as a Charitable Community and Benefit Society and registered with the Financial Conduct Authority under the Co-Operative and Community Benefit Society Act 2014. It is incorporated to enable affordable homes to be owned and managed by an independent, locally-run body that enables people to live and work locally.

3.4 ECCLT was set up as an 'umbrella' CLT. This is an approach that had successfully been used in other parts of the country (for example, there is an umbrella 'Cornwall CLT') prior to ECCLT's set up.

3.5 Umbrella CLTs cover a wider area or region than local CLTs, and their purpose is to support affordable housing to be secured for people who live and work locally. They will particularly be active in communities where there is desire and

need for locally affordable homes, but where there isn't the appetite to set up and run a local CLT. It is important to note that umbrella CLTs are not incorporated to replace or act in competition to areas where there is an existing CLT, and instead take a complementary and supportive role.

3.6 All Community Land Trusts have the option, at incorporation stage, to nominate a 'Custodian'. Nominating a Custodian gives CLTs an extra level of security against the core parts of their governing rules being changed in the future; this includes the Objects of the Trust, rules on its application of its profits, and dissolution. Custodians for CLTs are typically trusted local organisations such as the District Council, Parish Council or local Charity with similar Objectives. Custodians can also offer support and guidance via a limited number of seats on the Board. When ECCLT was set up, East Cambs District Council was nominated as a Custodian with a maximum of three seats on the Trustee Board.

3.7 ECCLT is currently governed by a Board of five Trustees; three of the Trustees are East Cambs residents with prior experience in CLT projects, community organisation, and property management, and two Trustees are representatives from the District Council.

3.8 The Objects of ECCLT are as follows:

"The CLT is formed for the benefit of the community to operate as a community land trust in East Cambridgeshire (the area of benefit),

The objects of the CLT are to carry on for the benefit of people in need (whether by virtue of poverty, financial hardship, age, physical or mental disability or ill health) in the area of benefit:

- The business of providing and managing housing (including social housing) and facilitating the provision and management of such housing,
- The provision of, and facilitating the provision of, information, advice, assistance, training, support, facilities, amenities and services incidental to the provision and promotion of housing,
- The promotion of regeneration in areas of social and economic deprivation in such ways as may be thought fit by the Trustees, and
- Any other charitable object that can be carried out from time to time by a community land trust and which the Trustees consider would further the social, economic and environmental interest of the community in the area of benefit."

3.9 ECCLT currently own two properties at Barton Road, Ely; one property is a shared ownership property and one is an affordable rent property. Housing management services are provided by ECTC through its housing management service; East Cambs Community Housing.

### 3.10 Membership to the CLT

3.11 ECCLT is a membership organisation, and all members are shareholders of the CLT. According to the CLT's governing document the purpose of issuing shares is "to advance the charitable purposes of the CLT set out in Rule 3 (Objects) under terms which are beneficial to the CLT." The CLT's governing document further states that:

"Membership of the CLT is open to any individual aged at least sixteen or person interested in promoting the Objects who:

- subscribes for at least the Minimum Shareholding; and
- is approved by the Trustees."

3.12 The 'Minimum Shareholding' is currently £1. This means that lifetime membership of ECCLT costs £1. Members can purchase additional shares but all members will only have one vote regardless of the number of shares held.

3.13 The CLT may prescribe the form and the procedure for applying for membership in addition to what is stated in the governing document.

3.14 ECCLT is currently in the process of creating a website which will increase its transparency and provide detail about ECCLT and provide information on how to become a member of ECCLT. In the meantime, anyone wishing to become a member of ECCLT should contact [eastcambscclt@gmail.com](mailto:eastcambscclt@gmail.com)

### 3.15 Relationship between ECTC and ECCLT

During the planning and construction phase of the Barton Road, Ely development East Cambs Trading Company (ECTC) identified that the affordable homes within the development should be made available to people who live and work locally and that the properties should be owned by a Community Land Trust as an independent body who can hold and manage property. There is no CLT in Ely.

3.16 ECTC constructed the two affordable housing properties at Barton Road, Ely and sold them to ECCLT who own and manage the properties. ECTC, under contract with ECCLT, provide housing management services to ECCLT. Please note that all decisions about property management are made by ECCLT.

3.17 ECTC is committed to delivering 15 shared ownership houses at Simeon Close, Ely (the former MoD site) and is actively working with ECCLT that may (subject to negotiation) purchase the properties and make them available to enable people to live and work locally.

3.18 ECTC is not a member of ECCLT.

3.19 Relationship between ECCLT and East Cambs Community Housing

3.20 East Cambs Community Housing (ECCH) is a trading name of ECTC. Prior to December 2019 ECCH delivered two different service areas; Advice to Community Land Trusts (pre and post incorporation) and housing management services.

3.21 In December 2019 ECTC transferred the CLT advisory service to Cambridgeshire and Peterborough Combined Authority (CPCA) who now provide this advisory service across the whole of Cambridgeshire and Peterborough. All CLTs are now advised by CPCA.

3.22 ECCH now focuses on the delivery of housing management services. These services are delivered through a contract between ECCLT and ECTC (ECCH) which is reviewed and renewed by the CLT on an annual basis.

3.23 Relationship between ECCLT and the Council

3.24 As previously advised the Council is a Custodian of ECCLT. This means that East Cambs District Council are considered by the CLT to be a trusted outside organisation that can provide an extra level of security against any changes to core parts of the CLT's governing document.

3.25 ECCLT's governing document states that any resolution made by the CLT to amend rules pertaining to:

- The CLT's objects
- The application of profits
- Payment of interest on shares, or
- Dissolution

shall not be passed if the Custodian votes against it, thus guarding the core ethos of the CLT for future generations.

3.26 In addition to this, as the Custodian East Cambs District Council has the right to nominate up to three Trustees to the Board. Currently Councillor Lisa Stubbs and Councillor Anna Bailey are trustees. Trustees can sit for a term of 4 years and provide guidance and support to the CLT. The Custodian-nominated Trustees share a total of one vote in ECCLT Board proceedings.

3.27 ECCLT has been added to the list of outside bodies and an annual report will be provided through this process.

3.28 Barton Road, Ely Section 106 Contribution

3.29 Through the planning process the Barton Road, Ely development provided 30% affordable housing. This was secured by a Section 106 Agreement requiring 2 of the properties to be provided on-site and a contribution in lieu of on-site provision to enable the delivery of an affordable housing property off-site. ECTC

paid the contribution of £72,142.61 to the Council who continue to hold the contribution. No decision has been made by the Council on the expenditure of this contribution. Once a suitable scheme has been identified this will be presented to Members for formal approval.

4.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT/CARBON IMPACT ASSESSMENT

4.1 There are no financial implication arising from this report.

4.2 Equality Impact Assessment (EIA) not required.

4.3 Carbon Impact Assessment (CIA) not required.

5.0 APPENDICES

5.1 None

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<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Finance & Assets Committee- 26 November 2020- Agenda Item 13 ECCLT Model Rules	The Grange, Ely	Emma Grima Director Commercial (01353) 665555 E-mail: <a href="mailto:emma.grima@eastcambs.gov.uk">emma.grima@eastcambs.gov.uk</a>