A review of urban Community Land Trusts in England
Lessons and practical advice
December 2011
This paper reviews the experience of urban community land trusts in England. It identifies practical lessons about how to establish a community land trust and investigates common issues and obstacles to success.

This work was produced as part of the Young Foundation’s Future Communities programme to explore the potential for community land trusts to be established in key neighbourhoods in the city as a vehicle for on-going community regeneration.
This paper reviews:

1. National policy on asset transfer
2. The benefits of asset based community development and community asset ownership
3. Development Trusts or Community Land Trusts as a vehicle for asset transfer
4. Current examples of urban Community Land Trusts in England
5. Case studies: Shoreditch, Headingley, Moseley
6. Managing the risks of a CLT
7. Practical lessons for communities
Questions for the review

1. What can be learnt from the experience of planned and existing development trusts and community land trusts in the UK and internationally?

2. What role can development trusts and land trusts play in building community social capital?

3. What are the developments costs incurred in setting up a community land trust, and the timescales involved?
1. Community asset transfer: policy context
National policy context

1. Decentralisation & Localism Bill - focus on enabling community asset transfer, promoting community ‘right to build’, ‘right to reclaim land’, and ‘right to challenge’ to take over community facilities
2. Local government interest in community development trusts and community land trusts as succession vehicles for public regeneration partnerships
3. Interest in social and community enterprise as route to sustainable regeneration and economic development
4. Evidence to show local third sector and community capacity and influence over local decision-making, and services strengthened through community asset transfer
5. Recognised importance of social capital in building cohesive, empowered communities
Community Asset Transfer: Quirk Review

Three firm conclusions:

1. Transfer must realise social or community benefits without risks to wider public concerns, or community interests becoming overly burdened by operational concerns
2. Benefits of community ownership can outweigh risks and opportunity costs in certain circumstances, and there are no substantive obstacles or impediments to transfer
3. Risks exist, but can be minimised and managed. Requires political will, managerial imagination and a more business-focused approach by public and voluntary sectors
Advancing assets 2007 - 2011

• Creation of the Asset Transfer Unit (ATU) - information, advice and resource hub
• 4th round of national demonstration programme
• ATU estimates 1000 community asset transfer (CAT) projects in progress
• ATU believes CAT activity already empowering beneficiary communities
• CAT takes time: 5 years (when creating new receiving third sector organisation)
2. Benefits of asset based community development and community asset ownership
What is Asset Based Community Development (ABCD)?

• Strategic approach & method to community-driven development and regeneration
• Pioneered in North America and internationally in developing countries
• Builds on community/VCS strengths (physical assets, skills and capabilities) - not negatives as common in traditional regeneration
• In UK ABCD has focussed on physical assets put to use through community ownership and enterprise via a Community Anchor Organisation (CAO)
The benefits of asset ownership to the community anchor organisation

<table>
<thead>
<tr>
<th>Benefits of Asset Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Journey towards asset ownership can bring sense of achievement and confidence</td>
</tr>
<tr>
<td>Successful transfer gives the organisation status, recognition, power and support within the community and among local stakeholders</td>
</tr>
<tr>
<td>Transfer process leads to qualitative transformation of organisation’s culture and management capacity</td>
</tr>
<tr>
<td>Ownership of capital asset provides basis for social enterprise and trading activity: generating surpluses to finance new activities and further growth; helping lever in additional assets; providing collateral for loan finance</td>
</tr>
</tbody>
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# Benefits of community asset ownership to local stakeholders

<table>
<thead>
<tr>
<th>Benefits</th>
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<tbody>
<tr>
<td>Local stakeholders have a new partner to work with</td>
</tr>
<tr>
<td>Community partner to support local authority and service providers in</td>
</tr>
<tr>
<td>service design and delivery</td>
</tr>
<tr>
<td>Work on a variety of projects on terms that don’t involve maximising</td>
</tr>
<tr>
<td>shareholder profit</td>
</tr>
<tr>
<td>Base for providing joint or complementary services that are closer,</td>
</tr>
<tr>
<td>more responsive and accountable, and tailored to community needs</td>
</tr>
<tr>
<td>Third sector development body able to access funds inaccessible to the</td>
</tr>
<tr>
<td>public sector and achieve greater investment into the locality</td>
</tr>
<tr>
<td>Community benefits can lead to reduction in pressures on public services: health, welfare support, criminal justice system</td>
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</tbody>
</table>
Benefits of community asset ownership to the wider community

<table>
<thead>
<tr>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct and indirect benefits: communities have greater influence</td>
</tr>
<tr>
<td>Enable communities to solve their own problems through self-help, community action and social enterprise</td>
</tr>
<tr>
<td>Wealth creation activities brings income into the community (e.g. employment opportunities for young people). Wealth created is retained and recycled within the community: new projects and further benefits</td>
</tr>
<tr>
<td>‘Multiplier effect’ brings wider range of benefits: boosting business viability, restoring land values and attracting new investment</td>
</tr>
<tr>
<td>Promoting community cohesion through bringing people from different backgrounds building bridging and bonding social capital: using latent skills and talents</td>
</tr>
<tr>
<td>Generate confidence, hope, civic pride: significant psychological boost</td>
</tr>
</tbody>
</table>
Creating a cohesive, confident community in control?

Downwards spiral of a marginalised community: crisis event, lacking hope and confidence

Coping community: gradual change

Upwards spiral: assets, action and solutions leads to continual improvement and significant change
3. Vehicles for asset transfer: development trusts or community land trusts
Choices and options for a community anchor organisation

• What type of Community Anchor Organisation (CAO)?
• Community development trust or community land trust?
• What level of community and stakeholder involvement?
• What legal form to constitute as: CLG, ISP, CIC?
Legal vehicles for a CAO

- Incorporation is essential if CAO is to own assets
- No correct legal vehicle, and more than one possibility
- Legal form provides operating framework for the organisation: how it is set up, managed and governed
- Form follows function: legal arrangements dependent on objectives of the organisation, and mechanisms to further community and other stakeholder involvement in its governance and decision making processes
- Organisational form: reflects ownership and power structures, ultimately determining who has final control over direction of its resources and use of its assets
- Legal form needs to protect not just the social mission but the assets of the CAO
### Legal options

<table>
<thead>
<tr>
<th>Legal Form</th>
<th>Suitable</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Association</td>
<td>No</td>
<td>Unincorporated</td>
</tr>
<tr>
<td>Trust</td>
<td>No</td>
<td>Unincorporated</td>
</tr>
<tr>
<td>Limited Liability Partnership</td>
<td>No</td>
<td>Profit-distributing vehicle</td>
</tr>
<tr>
<td>Company Limited by Shares</td>
<td>No</td>
<td>Uncommon in third sector</td>
</tr>
<tr>
<td>Company Limited by Guarantee</td>
<td>Yes</td>
<td>Common usage</td>
</tr>
<tr>
<td>Industrial and Provident Society (Community Benefit Society)</td>
<td>Yes</td>
<td>Common usage</td>
</tr>
<tr>
<td>Industrial and Provident Society (co-operative)</td>
<td>No</td>
<td>Profit/dividend distributing</td>
</tr>
<tr>
<td>Community Interest Company</td>
<td>Yes</td>
<td>Specific third sector vehicle</td>
</tr>
<tr>
<td>Charitable Incorporated Organisation</td>
<td>?</td>
<td>New legal vehicle</td>
</tr>
</tbody>
</table>
# Key features

<table>
<thead>
<tr>
<th>Company Limited by Guarantee</th>
<th>Industrial and Provident Society (Ben Com)</th>
<th>Community Interest Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited Liability</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Constitution</td>
<td>Mem and Arts</td>
<td>Registered Rules</td>
</tr>
<tr>
<td>Regulator</td>
<td>Companies House</td>
<td>FSA</td>
</tr>
<tr>
<td>Organisational structure</td>
<td>Two-tier or one-tier</td>
<td>Two-tier or one-tier</td>
</tr>
<tr>
<td>Governing body</td>
<td>Board of Directors</td>
<td>Management Committee</td>
</tr>
<tr>
<td>Membership</td>
<td>Open or discretionary</td>
<td>Open or discretionary</td>
</tr>
<tr>
<td>Stakeholder i</td>
<td>Possible</td>
<td>Possible</td>
</tr>
<tr>
<td>Voting</td>
<td>Usually OMOV</td>
<td>Usually OMOV</td>
</tr>
<tr>
<td>Charitable</td>
<td>Can be</td>
<td>Can be</td>
</tr>
<tr>
<td>Asset Lock</td>
<td>Via charitable status</td>
<td>Yes</td>
</tr>
<tr>
<td>Special Features</td>
<td>Flexible structure for third sector; Community Bond Issue</td>
<td>Membership via Shares (1-20k) Community Share Issue</td>
</tr>
</tbody>
</table>
What are Development Trusts?

- No legal definition for development trusts (DTs)
- No single organisational / constitutional form:
  - Company Limited by Guarantee (CLG)
  - Industrial and Provident Society (IPS)
  - Community Interest Companies (CIC)
- Can have charitable status, and trading subsidiaries
- Members can be drawn from local community, local stakeholders and partners, such as the Local Authority
- Can arise from grass-roots community campaigns or state-funded partnerships and agencies
- Membership open to all - or closed and selective
Third sector, market-orientated vehicles providing services to local people

Four underlying principles:
• Engaged in the economic, environmental and social regeneration of a defined area
• Independent, aiming for self-sufficiency and not for private profit
• Community-based, owned and managed
• Actively involved in partnerships between the community, voluntary, private and public sector
Development Trusts in 2010

- 492 DTs in the UK
- Generating £272m combined income; £157m earned
- £565m assets in community ownership
- 43% urban and suburban; 38% rural; 19% mixed
- 90% CLGs, 4% CICs, 6% IPS or unincorporated
- Over 70% registered charities
- 55% have 5 or fewer staff
- Over 50% have more than 10 volunteers
- One third of DTs in areas with 10% BME population
- One in ten DTs in areas with 50%+ BME population (Boards reflect this demographic)
Finding solutions to local problems

Activities of respondents
Figures total more than 100% as trusts deliver a wide range and variety of activities

-% of development trusts

community development
community safety/crime prevention
education
employment
environment
festivals and events
ICT services
managed workspace
meeting room hire
property management
recycling
renewable energy
sports and recreation
training
transport
youth work

Source: DTA 2010
DTs: top down or bottom up?

Bottom up community-led campaigns:
- against something: loss of local facilities
- in favour of something: saving local iconic building, improving local economy and environment.

Top down:
- Succession vehicles for publicly-funded interventions: Housing Action Trusts, New Deal for Communities
- Formalisation of partnership and stakeholder arrangements: Local Strategic Partnership

Social entrepreneurial activity:
- Driven by small core of entrepreneurs
What are community land trusts (CLTs)?

Statutory definition:

Housing and Regeneration Act 2008, Part 2, Chapter 1, Clause 79:

A Community Land Trust 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 - to provide a benefit to the local community, 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:
   • any profits from its activities will be used to benefit the local community (otherwise than by being paid directly to members)
   • individuals who live or work in the specified area have the opportunity to become members of the trust (whether or not others can also become members)
   • the members of a trust control it.
What does this mean?

- Mechanism for landowners to give land to meet local housing and other needs
- Legal definition assures landowner that no-one is going to get a windfall (particularly relevant if land is at unrestricted market use value) and land values are retained for the community
- Mechanism for positively engaging communities in ‘place-shaping’: the development of their locality, and maximising the development of land and assets
- Unlike RSLs and some DTs, membership should be open and not restricted
CLTs = genuine local democracy

• Individuals who live or work in the area **must** be able to become members
• Members **must** control the organisation
• But: no regulator of CLT brand - reliant on legal interpretation of membership requirement
• Membership-based place-shaping tool and way of bringing community together to drive area-based change
• Genuine model of community empowerment: neighbourhood governance, service delivery and provision of facilities
• Through ownership of land and assets captures benefits of rising land values for the whole community and recycles wealth
• Puts community in the driving seat over development opportunities
Control of a CLT

“Classic” CLT model (USA) - tripartite Board structure

- Tenants of CLT housing / property
- People living locally
- Stakeholders
- Third + public sector members
CLTs - primarily rural model

• CLTs largely a rural phenomenon: now a ‘social movement’
• Not only rural ‘exception’ sites
• CLT National Demonstration project and CLT Fund
• Lindesfarne CLT first to access HCA grant funding: although achieved at huge cost
• Still immense bureaucratic and financial obstacles but not insurmountable
• Intermediate housing provision is key driver but variety of uses: farms, workplaces, community facilities
• Builds on track record of community ownership: community halls, pubs, shops, etc
• Most successful CLTs in remoter, more peripheral areas
The theory: To CLT or not to CLT?

Aspiration for membership to be open to all living and working locally, and democraticall y controlled by members?

- Yes: CLT or DT
- No: DT

Organisational type

- CLT or DT

Legal form

- Company Limited by Guarantee (CLG)
- Industrial and Provident Society (IPS)
- Community Interest Company (CIC)
The practice: a democratic deficit?

Social entrepreneurs / community activists with a ‘vision’ / community objectives

Set up a vehicle to meet vision/objectives

Vehicle controlled by founders

“CLT”

Apply to join ‘CLT’

‘CLT’ launches community Bond or Share issue

Members of local community / local organisations

Initiation | Development | Operational

TIME: CLT develops democratic features as it evolves

THE YOUNG FOUNDATION
Options for deciding on levels of community and stakeholder involvement
Membership-based democracy:
Board elected by and from members

People living and working in local area
Join CAO

CAO membership
Board elected from membership
CAO Board

Experts
Can co-opt

Can co-opt
Stakeholders
Neighbourhood democracy: Board elected by and from local residents

People living and working in local area

Neighbourhood ballot for Board membership

Board membership elected from citizenry

CAO Board

Co-opts

Experts

Appointed

Stakeholders

Co-opts
Hybrid two-tier structure: Board elected by membership, including stakeholders

- People living and working in local area
  - Join CAO
    - CAO membership: residents + stakeholders
    - Elects Board
      - CAO Board
      - Co-opts Appointed members
        - Stakeholder membership constituency
          - Board drawn from members, including appointed stakeholders
Oligarchy: Members of the CAO and Board are the same

CAO constitution defines its members, e.g. initial founders

Entry

Leave the Board means leaving CAO membership

CAO Members function as the Board

Exit

Selects

Co-opt to the Board

Application by prospective members

New Board members

Experts
Representative oligarchy: Board represents stakeholding members

CAO Members are stakeholding organisations

Appoints individuals to Board

CAO Board represents stakeholders

Experts

Co-opts to Board
4. Review of urban community land trusts in England
Sources for the review

**Interviews with CLT experts**

David Rodgers, CDS Co-operatives;
Bob Patterson, Community Finance Solutions;
Stephen Hill, Futurebuilders;
Kate Braithwaite, Carnegie UK Trust
Tony Rich, Rich Regeneration
Martin Large, Gloucester Land for People

**Interviews with CLT practitioners**

Micheal Pyner, Shoreditch Trust;
Peter Bojar, Bolton
Richard Tyler, Headingley Development Trust
Karen Leach, Digbeth CLT
Geoff Philpotts, Portsmouth
Alison Parfit, Cashes Green CLT
Dave Smith, London Citizens CLT

**Desk-based research into CLT theory and practice**
Review - summary findings
## Status of English urban CLT projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Status</th>
</tr>
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<tbody>
<tr>
<td>Cashes Green</td>
<td>Final planning permission submitted.</td>
</tr>
<tr>
<td>Bolton</td>
<td>Model ‘on the shelf’. Unlikely to be used.</td>
</tr>
<tr>
<td>London Citizens CLT</td>
<td>CLT formed. Tender process underway.</td>
</tr>
<tr>
<td>Digbeth Ecohub</td>
<td>Site now unavailable. Project on hold until new site is found.</td>
</tr>
<tr>
<td>Headingley Homes CLT</td>
<td>DT operating as CLT and letting small portfolio of homes. Looking to acquire further properties and establish autonomous CLT.</td>
</tr>
<tr>
<td>Shoreditch Property Equity Trust</td>
<td>Model developed and abandoned due to political decision not to adopt.</td>
</tr>
<tr>
<td>Portsmouth</td>
<td>HCA model akin to management company.</td>
</tr>
<tr>
<td>Brixton Green</td>
<td>Working proposals outlined. Selling shares to local stakeholders to support development.</td>
</tr>
</tbody>
</table>
English urban CLTs - state of play

• CLT projects scattered across urban England at various stages of development
• No significant breakthrough made as yet, although some projects at key stages of development
• Tension between democratic, membership based models open to the community and social entrepreneurial-driven and paternalistic projects controlling activity
• Tension between representative and participative democracy
• Changing investment structures: need for range of investment partners and CLT hosting site-wide management function
Rationale and objectives

• Provision of affordable housing: social rented, sub-market rented, shared-equity, MHOT
• Provision of mixed use facilities
• Regeneration of areas of significant deprivation and poor housing
• Community empowerment
• Agent to deliver Local Strategic Partnership/Local Area Agreement priorities
• Extended functions: social and community enterprise; space for commercial enterprise to maximise revenue streams; employment objectives: links with schools and CYP into work
Community Land Trust Fund

- £2m fund to support fledging CLT projects
- Provides funding alongside expert professional and technical advice
- From initial scoping - identifying need and developing solution - through to the construction of affordable homes
- Four stages of support:
  1. Feasibility study - one day of expert consultancy
  2. Technical assistance - small grant to cover initial costs
  3. Pre-development - funding prior to planning permission
  4. Development finance - funding the costs of construction
CLTs building social capital?

- Local people see CLT as means for engagement and getting involved: self-help and mutuality, not charity
- Works well with areas of high social capital among residents
- Not by giving people the opportunity to acquire new skills but by recognising skills people already have: formalisation of experience
- Community capacity building is vital
- Sensitivity needed in areas with community tensions
Problems encountered

- Limited funding for CLT projects
- Lack of political support
- Numerous community stakeholders
- Inability to ground in LSP priorities
- Authorities reluctant to actually transfer assets
- CLT seen as competitor to traditional social housing
- CLT seen as means to prevent local development
- Community Asset Transfer seen as problematic due to uncertainty over political affiliation of local community groups
- Market crash
- Time consuming for volunteers
Leaseholder Enfranchisement

- Leaseholder Enfranchisement under the 1967 Leasehold Reform Act stalled development of CLTs where not a rural ‘exception’ site
- Leaseholders who own a share of their home on land owned and provided by a CLT have the right to buy the freehold of the land
- In theory prevents creation of permanently affordable leasehold
- Further legislation needed to prevent enfranchisement
- In meantime:
  - Mutual Home Ownership Trust model of co-operative housing
  - Equity mortgage split between individual and CLT with statutory right of redemption
  - Deed of Trust
Factors for success

- Anchored in the local community
- Right governance and strong leadership
- Solid Business Plan from day 1
- Commitment of time, enthusiasm
- Basic skills of members
- Access to excellent financial advice/pro-bono work by local professionals
- Sympathetic local authority
- Geared to meet LSP priorities and LAA outcomes
- Supportive partners, e.g. RSLs
5. Urban CLTs: case studies
A tale of three Trusts

Shoreditch DT, London
New Deal for Communities succession vehicle
Exemplar approach to asset-based development

Headingley Development Trust, Leeds
Membership-based DT also functioning as a CLT
800 members makes it one of the largest DTs

Moseley Community Development Trust, Birmingham
Steering group drawn from neighbourhood associations
Shoreditch Trust

• Not just another regeneration vehicle or municipal service provision: need other ways to alleviate poverty and regenerate people
• Asset ownership as means for community to have power: £22m
• Use social enterprise to generate income and address local issues
• Partnership-led: community is an equal partner with a range of others in service delivery and shaping strategic direction
• 12 members of board originally elected from community: 38% turnout (as well as Borough Commander and PCT)
• Now Board of 7 local people and youth rep voted by schools and 5 co-optees to address skills gaps (including LBH). Police and PCT involvement through projects
Shoreditch Trust Organisational Structure
Headingley Development Trust and Headingly Homes CLT

- Resident-led and member controlled vehicle set up to respond to local social stress, rebalance local economy and housing market
- Social enterprise as means to provide local services and facilities
- Asset-ownership as means for community to shape development
- CLT as means to provide family homes
- Community share issue raised £100,000 to purchase Natural Food Store; now run as a co-operative
- Raised another £100,000 by share issue towards HEART (Headingley Enterprise and Arts Centre) project; former primary school acquired, refurbished, and recently opened for operation
Headingley Development Trust and Headingly Homes CLT (cont.)

- **Industrial and Provident Society for Community Benefit**
- **Community-owned, membership open to organisations and individuals aged 16 and over (no resident qualification)**
- **Board elected by membership at AGM by one member, one vote**
- **Completed a Neighbourhood Design Statement for the area, commissioned by the Council**
- **Other projects include a Farmers’ Market, a community orchard and Café Scientific**
Moseley CDT

- _CLG and Registered Charity_
- _Origins in Moseley Society (est. 1979) and Moseley Forum (est. 1998)_
- _CDT seen as suitable vehicle to tackle problems faced in the neighbourhood: inflated property prices; expensive housing; employment problems for young people_
- _Steering Group to establish CDT drawn from MS and MNF, involving local experts_
- _Three years funding for a Development Officer (2000)_
- _Steering Group constituted as Board of Directors and Trustees for CDT in 2001_
Organisational Structure

Moseley Residents

Moseley Society and Moseley Forum

Moseley CDT Board Members
13 places - 4 appointed, 4 elected and 5 co-opted

Sub Committees
Finance & General Purposes, Property Group, Personnel and Volunteering Group, Moseley Regeneration Group, Exchange Sub Group

Moseley CDT staff and Volunteers
Operational Structure

- Post Office Building
  - Information & Resource Centre
- Moseley Street Wardens
- Moseley the creative village
  - The Moseley Exchange project
- Community Cohesion Centre
6. Managing risk: lessons and practical approaches
Risks

• This section summarises the various risks associated with establishing a community anchor organisation as a vehicle for asset transfer, and practical approaches to mitigate these risks.
• This list is not exhaustive but identifies key issues emerging from the review
• Community asset transfer is high risk but can be managed with good governance and business planning and systematic risk management
• Key question for local authority is ‘appetite for risk’?
<table>
<thead>
<tr>
<th>RISK</th>
<th>WHY</th>
<th>WHAT TO DO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community empowerment objectives are vague and weak</td>
<td>• Organisation and proposals may not have buy in from local community</td>
<td>• Further consideration of objectives for asset(s)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Undertake community needs survey</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Partnership working with other organisations</td>
</tr>
<tr>
<td>Lack of skills and capacity to manage the asset</td>
<td>• Unrealistic expectations</td>
<td>• Organisational development plan</td>
</tr>
<tr>
<td></td>
<td>• Time, effort and money wasted</td>
<td>• Ongoing access to expertise and advice</td>
</tr>
<tr>
<td></td>
<td>• Asset(s) potential wasted</td>
<td>• Viable long-term business plan</td>
</tr>
<tr>
<td>RISK</td>
<td>WHY</td>
<td>WHAT TO DO</td>
</tr>
<tr>
<td>-----------------------------------------------------------</td>
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</tr>
<tr>
<td>Insufficient funds to develop assets</td>
<td>• Failure of organisation</td>
<td>• Long-term income/expenditure consideration for asset (s)</td>
</tr>
<tr>
<td></td>
<td>• Waste of time, effort and money</td>
<td></td>
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<tr>
<td></td>
<td>• Wider community let down</td>
<td></td>
</tr>
<tr>
<td>Community organisation can’t afford to maintain asset on an ongoing basis</td>
<td>• Risk of organisational collapse</td>
<td>• Robust, long-term business plan at outset</td>
</tr>
<tr>
<td></td>
<td>• Incurs financial liabilities that can’t be met</td>
<td>• Produce, fund and implement organisational development plan</td>
</tr>
<tr>
<td></td>
<td>• Value of asset declines</td>
<td>• Use of anchor-tenancies</td>
</tr>
<tr>
<td>RISK</td>
<td>WHY</td>
<td>WHAT TO DO</td>
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<td>------------------------------------</td>
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</tbody>
</table>
| Lack of knowledge of the asset(s)  | • Costs are underestimated  
• Asset use is undecided  
• Projects can be jeopardised | • Surveys on condition of assets  
• Employing full-time project manager |
| State aid rules prevent public financial support | • Inability to process CAT  
• Time delays               | • Falls within areas of ‘permitted support’  
• Does not affect trade between member states |
<table>
<thead>
<tr>
<th>RISK</th>
<th>WHY</th>
<th>WHAT TO DO</th>
</tr>
</thead>
</table>
| Asset not used in the public interest / access not inclusive / taken over by unrepresentative minority | • Misappropriation of funds  
• Asset under-used  
• Local resentment and risk to community cohesion  
• Restricted access causing other groups to want own asset  
• Competition for control of asset among groups | • ‘Expectations document’ developed between transferring and community organisation  
• Different interests and communities on Board  
• Local authority presence on Board  
• Community organisation is genuinely open and multi-purpose |
<table>
<thead>
<tr>
<th>RISK</th>
<th>WHY</th>
<th>WHAT TO DO</th>
</tr>
</thead>
</table>
| Confusion in roles between LA/public sector agency and community organisation | • Unexpected or unfunded liabilities emerge  
• Breakdown in relationships or partnerships  
• LA /public sector expectations regarding membership of Board | • ‘Expectations document’ includes legal, financial and other statutory liabilities  
• Formal Service Level Agreement  
• Clarity on role of charity trustees and Board members |
<table>
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<tr>
<th>RISK</th>
<th>WHY</th>
<th>WHAT TO DO</th>
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| Limited potential for enterprise development based on asset / in the area | • Asset may not generate enough revenue to be financially viable  
• Grant funding may not be available  
• Service contracts may not be agreed | • Access to specialist business support  
• Assistance on business planning and marketing  
• Staged transfer of asset(s)  
• Consideration of which LSP partners are integral to viability and ensure procurement of services |
<table>
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<tr>
<th>RISK</th>
<th>WHY</th>
<th>WHAT TO DO</th>
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<tr>
<td>Reliance by receiving organisation on small number of volunteers</td>
<td>• individuals overburdened and unable to maintain effort and interest</td>
<td>• Management committee given overall control and work through collective</td>
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<td>• lack of volunteers may threaten project when current volunteers move on</td>
<td>responsibility</td>
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<td></td>
<td>• may not be possible to keep building fully open, limiting its use</td>
<td>• Rotation of committee members</td>
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<td>• Advice on succession planning</td>
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<td></td>
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<td>• LA-wide network of trustees</td>
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<td></td>
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<td>• Work with other CAOs</td>
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<tr>
<td>RISK</td>
<td>WHY</td>
<td>WHAT TO DO</td>
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</tbody>
</table>
| Use does not fit with wider strategic aims of LA and LSP and public sector stakeholders | • Ability of LA/LSP to implement SCS and meet LAA targets  
• Community organisation unable to form stable partnership with LA | • Expectations Document agreed between LA/public sector and community organisation  
• Ensuring through service level agreements that changing LA priorities do not adversely impact delivery of service by community organisation  
• Monitor use of building |
7. Ten practical lessons for communities
Questions for the review

1. What can be learnt from the experience of planned and existing development trusts and land trusts in the UK and internationally?

2. What role can development trusts and land trusts play in building community social capital?

3. What are the developments costs incurred in setting up a community land trust, and the timescales involved?
Findings: what English CLTs would do differently

• Spend more time fundraising
• 12-24 months capacity building prior to setting up organisation in the community
• Address negatives and objections at the very beginning
• Begin with long-term social enterprise model and use of the site
Findings: timing

• Quirk Demonstration programme indicates 5 year timeframe for establishing a community anchor organisation for asset transfer
• London Citizens CLT: 7 years total campaigning
• Headingly Homes: created DT in 2005, functioning as CLT and leasing homes in 2008
• Cashes Green: original Feasibility Study in 2004, final planning permission submitted in 2011
Findings: development costs

- Paid organiser / officer time is crucial, circa £40,000 per annum
- From £2,500 for initial business planning, to £100-250k needed for development of proposal
- Considerable volunteer time also required
- Plus funding for site development
Ten practical lessons

1. Bureaucratic and financial obstacles to successfully establishing a CLT are significant but not insurmountable.
2. Quirk Demonstration programme indicates 5-year timeframe for establishing a community anchor organisation for asset transfer.
3. Public sector support, political will and community interest, strong business planning and social enterprise element to model are crucial conditions for success.
Ten practical lessons

4. These factors need to be in place early on
5. Both public-sector driven (e.g. Shoreditch) and community driven (e.g. Headingley) approaches can work effectively
6. To date, rural CLTs have been most successful
7. Issues about defining community and stakeholders can be more complex in densely populated / less cohesive urban areas
8. Tension between open membership principle and core group of social entrepreneurs
Ten practical lessons

9. Sensitivity to community tensions is important, especially in areas with a history of social, ethnic, racial tension between residents.
10. Tension also exists between principle of open membership for CLTs and core group of social entrepreneurs often needed to get CLT started.
This work was carried out between 2010-2011 by Daniel Crowe, Saffron Woodcraft and Douglas Cochrane. 

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