

Beer Community Land Trust

Annual report for the year 1 Aug 2018 to 31 July 2019

Introduction.

Beer CLT was set up in 2013 with the aim of providing affordable housing in Beer for people with a strong connection with Beer. Our first project of 4 rental houses and 3 shared equity houses was completed in February 2015 and tenants and owners have been in residence since that date. The CLT continues to manage the letting of the first project houses but is aware of the continued need to provide affordable housing for people and families with a strong Beer connection. The CLT has a second project underway for another 7 houses comprising 4 affordable rented houses and 3, 20% discounted sales. The projected completion date is mid 2021

The CLT is registered with the FCA as a Co-operative and Community Benefit Society (formerly Industrial Provident Society), with the Department for Homes, Communities and Local Government (DHCLG) as a Registered Provider (RP) of social and affordable housing and with the Housing Ombudsman.

Management

The management and operation of the CLT is governed by its rules which are available on the CLT and Beer PC website. All elements of the management are overseen by the CLT board which is duly elected by the members.

The board membership for the year 2018/2019 is;

Geoff Pook	Chairman
Matt Bond	Treasurer
Adam Brewer	Company Secretary
Norah Jagers	Minute Secretary
Leanne Newton	Membership Secretary, member and shared equity owner
Roger Strover	member and shared equity owner
Simon Hoare	member and tenant
Emma Molony	member
Martin Richards	member
Mike Green	member
Oliver Harrison	member
Grant Auderman	member
Jenny Pleasance	member
Marc Newton	member and shared equity owner

The following represent the appropriate organisation

- Darren Clinch; Beer Parish Council
- Martin Shaw; Devon County Council
- Paul Lowe; East Devon District Council

The following is Co-opted to provide technical support

- Jim Carthy

A sub panel of the Allocation and Letting committee was established to review the tenant allocations with specific focus on housing need and qualification qualifications.

- Paul Lowe (EDDC housing manager)
- Norah Jagger
- Anna Vine

Financial Audit

Hammett Associates were reappointed at the 2018 AGM to examine and report on the accounts for the 2018/19 year. The cost for 2017/18 was £1194 incl. VAT. A copy of the accounts is available at the meeting

Resolution; to accept the July 2018 accounts

Resolution; Appointment of accountants for the year 2018/19 needs to be confirmed or for board to be given delegated power to negotiate and appoint an accountant.

Internal Audit

There were no additional audits required by the regulators as we had not developed any additional housing or been in receipt of any HCA loans or grants in the period. We continue to be registered with the HCA who certify; Beer Community Land Trust has retained continued qualification in 2018-19 as an HCA Investment Partner for the programmes and the applicable successor programmes as specified in the outcome of the original PQQ notification.

Management Board

The board has met twice since the 2018 AGM reflecting the success and easy management of the CLT now in its management role. The decision to purchase the Social Club was made in the previous year however the offer was finally accepted and purchase completed in November 2018

The board has the following management committees

- Operation and maintenance
- Allocation and letting
- Finance
- Membership, publicity, PR and fund raising
- Audit Committee responsible for corporate governance and audit

Summary terms of reference for each committee

Operation and maintenance, responsible for all technical and commercial aspects of the buildings and site, including maintaining project accounts, reporting to the main board with delegated power for financial decisions in accordance with the procurement policy.

Allocations and letting, responsible for the allocation and letting policy in conjunction with EDDC where applicable. Preparation of tenant care policy and tenant rules. The Beer CLT allocation policy will be administered by EDDC housing department and the selection panel to examine individual applications, housing need and qualifications. It will not include anyone who has a family or close relationship with any applicant.

Finance, responsible for preparation of the CLT accounts and associated corporate and HMRC reporting. Development and management of the investment share scheme.

Membership and publicity, responsible for membership records and recruitment, organisation and advertising of events, PR and fund raising. Future development of a web site.

Audit Board, responsible for ensuring compliance with the ethos of the "excellence in governance" document. Specifically this to include meeting, decision and resolution record keeping, training and preparation of the board members, recording capabilities and conducting appraisals.

Corporate Governance

- Beer CLT has adopted the “Code of Good Practice for Community Land Trusts”

The CLT has adopted two policies in addition to the rules

- An allocation policy
- A procurement policy, a schedule of all procurement decisions is maintained and reviewed at each board meeting

Regulatory applications

Beer CLT has Registered Provider status Registration number 4807 on 20/2/15

Finance

Full CLT accounts and Financial statement from our accountants, Hammett Associates for the year 17/18 (July) are available for examination

The draft summary of expenditure, loan account, capital value and revenue account for the period 1 Aug 18 to 31 July 19 is shown below.

Current Finance status

The CLT finances are following plan for the 2017/18 year (the year ends 31/7/18). The tax liability was restricted to the trading element (rental of properties) only, resulting in corporation tax of £3100.42 paid 1 May 19. The CLT has one medium term loan of £290,000 for 5 years at 3.24% interest with EDDC. Repayments or 2x £4698 interest only to EDDC are made from rental income.

The finance strategy is to pay off £50000 of the loan in 5 years from surpluses estimated at £10000 per year

Headline finance figures from cash book unaudited

Capital

Loan account	£290,000
Estimated asset value 4x rental houses 3x 20% shared equity houses	£950,000
Estimated value of new sites	£200,000

Revenue

Cash in bank as of 17/7/18	£98820 (£30492)
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This includes approx. £60000 of social club project funding

Target to have £60000 in the bank by June 2021

Rental operation summary							
int	£ 9,396.00			main	£ 137.80		
main	£ 1,615.22			fit	£ 1,745.54		
tax	£ 3,100.42			rent	£ 27,387.59		
fee	£ 928.00						
clt	£ 626.78						
acc	£ 1,194.00						
ins	£ 542.32						
	£ 17,402.74						
surplus	£ 11,868.19						
	£ 29,270.93				£ 29,270.93		
Social club expenditure							
soc club	£ 203,318.46			donate	£ 29,017.85		
				debt	£ 194,335.61		
				soc club	£ 36,905.00		

Operational and Management Issues in the year.

There have been no significant operational issues during the year. There have been minor maintenance issues related to plumbing and all boilers have been serviced. There have been two changes of tenants and all rental payments are up to date. Rents were not increased this year in recognition of the maintenance work carried out by tenants. FIT (solar power income, residents have the advantage of the free electricity) are in line with expectations at around £2000 per annum. The community arrangement to maintain the common areas by the owners and tenants continues to work well and at present there is no intention of making a service charge to cover any works.

There may be a future requirement to fund the moving of the 30MPH signs to the west end of the development. At present DCC are not considering it a priority however the liability is with the CLT, this could cost in the region of £3000 for the traffic order.

There will be a requirement to complete the Little Hemp Hay garden this will incur a cost in the region of £6000

Future risks.

There are no specific risks over that of a normal landlord maintaining rental income. The rental properties are insured through Isca Barum.

Future Opportunities

The social, club purchase was completed in November 18 for the sum of £168,001. Since the initial purchase we have completed the purchase of two adjacent gardens for £10,000 each. This extra area will give the houses more amenity space.

The design has progressed to a final design that was displayed at a full CLT meeting in January 19. The plans detail 4, 2 bed 3 floor houses and 3, 2 bed flats. The current position is that the ecology survey has been completed and planning permission for the demolition has been submitted although we await permission. If permission is granted demolition will commence in October. Full planning for the development will be submitted in the next month and if approved construction will commence in the new year.

The construction cost is estimated at £1,190,000 funded by a development loan facility of £1,150,000 from EDDC and a grant from Homes England.

We anticipate a total grant from Homes England in the region of £290,000 and sales income from 3 discounted sales of £485,000. This will leave a residual debt in the region of £423,000 which will be refinance after 5 years with a loan serviced by rental income and potential investment funds

This loan will be in addition to the current £290,000 however will be secured by a total capital housing asset valued in the region of £1,800,000.

There still remains an opportunity to work with CDE in the development of affordable homes on the Short Furlong site.