

## **Beer Community Land Trust**

Annual report for the year July 2013 to July 2014

### **Introduction.**

Beer CLT was established as an Industrial provident Society registered with the FCA on 11<sup>th</sup> July 2013. The CLT was formed for the benefit of the community to operate as a Community Land Trust primarily in the Parish of Beer. Its primary objects being to provide and manage affordable housing for the community of Beer and those people with a connection with Beer.

### **Management**

The inaugural meeting was held on the 3<sup>rd</sup> July 2013. The aims, objectives and rules of the CLT were explained to members of the community attending who were then invited to join the CLT. Nominations to form the first board were invited and duly voted in by the membership.

- Chair; Geoff Pook proposed by Martin Richards seconded by Wendy Abbot
- Treasurer; Mat Bond proposed by Geoff Pook seconded Dave Boalch
- Member; Wendy Abbot proposed Daniel Gribble seconded Louise Harrison
- Member; Adam Brewer; proposed Mat Bond seconded Martin Richards
- Member Josh Harrison; proposed Martin Usher seconded Jim Carthy
- Member Emma Westlake; proposed Henry Jagger seconded Phil Crabb
- Member; Martin Richards (initially as Beer PC rep)
- Member; Mike Green retrospectively proposed by Geoff Pook seconded Wendy Abbott

The board currently has 8 of its 12 permitted members excluding representatives and co-opted members.

The following were put forward to represent the appropriate organisation

- Darren Clinch; Beer Parish Council
- Jim Knight; Devon County Council
- Paul Lowe; East Devon District Council

The following was Co-opted to provide technical support

- Jim Carthy

The following has volunteered as secretary and it is proposed that she be appointed to the board

- Norah Jagger

The board has met on 6 occasions. There have also been 3 public meetings including an open day on site in December prior to any building works.

The board has formed the following committees

- Project Delivery
- Allocation and letting
- Finance
- Membership, publicity, PR and fund raising

The following additional committee is proposed

- Audit Committee responsible for corporate governance and audit

Summary terms of reference for each committee

Project Delivery, responsible for all technical and commercial aspects of the build project, 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 developing 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, Beer CLT will ratify allocations, a separate ratification panel will be formed and 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”

Policies and resolutions passed

The CLT has passed two resolutions;

- To borrow up to £1060,000 from EDDC to fund the development of the project
- To purchase the site for £305,000 from Clinton Devon Estates

The CLT has adopted two policies

- 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 applied to the HCA for registered provider RP, status. The application is ongoing and should be determined by December 14

### **Grant application**

The CLT has made application for grant support from the HCA (homes and communities agency) and SIB (social investment business, a Locality funding source) We have been successful with our applications to the HCA who have offered us £259,000 subject to gaining RP status. This funding is conditional on all 7 houses being kept as affordable rental or shared equity.

### **Finance**

Full CLT accounts for the year 13/14 are not yet available, a summary of expenditure and income to date is as follows

Expenditure to date		Income to date	
clt set up	£ 2,873.00	Short term loan	£ 243,114.78
pre dev	£ 2,654.40	EDDC loan 1st traunch	£ 305,000.00
site	£ 305,000.00	Grants donations membership	£ 4,038.00
legal	£ 3,076.39		
106 contribution	£ -		
finance	£ 2,800.25		
clt op	£ 797.60		
main contract	£ 63,989.14		
demo prep site	£ 10,000.00		
retaining wall	£ 15,707.00		
piles	£ 40,900.00		
timber frame	£ 61,339.62		
incomming utilities	£ 1,000.00		
fees	£ 2,751.07		
detailed design	£ 9,044.57		
cdm	£ 4,962.08		
cash sap	£ 1,284.00		
labc nhbc warranty	£ 500.00		
enabling work	£ 5,758.74		
Cash in bank	£ 17,714.92		
	£ 552,152.78		£ 552,152.78
		Note balance of EDDC loan due 27/7	£ 755,000.00

## The project

The project “Little Hemphay” is to build 7 houses, these will be made available on an affordable rented or shared equity basis.

The site was purchased in October 13, enabling works commenced in October 13, these included the provision of a bat house to house migratory bats that had used the old sheds at one time.

Detailed design was commissioned in December 13.

Demolition, piling, foundations beams, retaining wall and timber frame contracts were managed directly by the project delivery committee (PDC). The PDC appointed a contract administrator to manage the letting of the main contract all health and safety issues and CDM. We estimate that the direct involvement of the PDC in managing the initial works and overseeing the main contract saved £100,000 over the initial QS estimates for the project.

Demolition started on the 4<sup>th</sup> March, Piling on the 17<sup>th</sup> March, the main contract on the 27<sup>th</sup> May. Completion is programmed for 24<sup>th</sup> December however we hope to beat this by 3 weeks.

The initial project was for 3 x 3 bed houses and 4 x 2 bed houses. During the detailed design process we found we could make attic bedrooms in 2 of the houses, the project is now going to provide 5 x 3 bed houses and 2 x 2 bed houses. In order to deliver houses to the highest environmental and economic standards possible within our budget we are also going to install PV solar units on each house giving the occupants access to free electricity.

## Project Budget

Revised budget after factoring in savings made by direct management			
Costs			Funding available
clt set up	£	2,973.00	
pre dev	£	2,654.00	EDDC loan total
site	£	305,000.00	Grants donations membership
legal	£	4,000.00	
106 contribution	£	6,000.00	
finance	£	20,000.00	
clt op	£	5,000.00	
main contract	£	515,856.00	
demo prep site	£	10,000.00	
retaining wall	£	16,000.00	
piles	£	39,000.00	
timber frame	£	75,000.00	
incomming utilities	£	20,000.00	
fees	£	3,000.00	
detailed design	£	8,500.00	
cdm	£	7,600.00	
csh sap	£	5,800.00	
labc nhbc warranty	£	10,000.00	
enabling work	£	6,000.00	
Totals	£	1,062,383.00	£ 1,064,038.00
The main contract includes £35000 contingencies			

Additional capital funding options are being explored including investment share issue, the initial response has been positive and we hope to develop a reserve capital/revenue fund of around £50,000 The investment memorandum will be available in the near future. Other capital input could come from bequests, again this is being actively explored. Traditional fund raising will continue. Any short term development funding gap will be covered by local zero interest loans.

The development loan is not due to be repaid until June 15 and this can be extended to June 16 if part equity sales are delayed.

Options for long term financing on completion are still being considered and will depend upon the housing demand split between rental and shared equity. Models have been prepared considering all scenarios from renting all 7 to renting 3 and shared equity selling 4.

In summary the long term financial situation for either option, after taking the HCA grant of £259,000 will leave a residual loan of between £800,000 and £360,000. The loan can be serviced by rental income on all models and we now have to assess the most appropriate option to fulfil the housing demand whilst considering the CLT ethos and the long term financial risks. These decisions will be made by September 14.