

Beer Community Land Trust Annual Report

May 2024 to May 2025

Report Date: 4th June 2025
Financial year 1st Aug 2023 to 31st July 2024

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. Our second project, The Old Social Club was approved by the board in 2018 and is now complete and fully occupied. This project originally aimed to provide 3 shared equity houses and 3 affordable rental houses. However the shared ownership sales were slow to materialise while the demand for rental properties continued, we therefore made a request to EDDC to restructure our long term loan to allow two of the shared equity houses to be retained for affordable rental, which was agreed. The CLT housing stock is now 9 affordable rental houses and 4 shared equity homes, a total of 13 homes built by, owned by and managed by the community.

The CLT is registered with the FCA as 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. The CLT is recognised by HMRC as charity for tax purposes. Beer CLT is an investment partner with Homes England.

Management

The management and operation of the CLT is governed by its rules (updated to reflect the charity status) and are available on the CLT and Beer PC websites. Allocations to the properties are governed by the Local allocation Policy pertaining to each development. All elements of the management are overseen by the CLT board which is duly elected by the members.

The board membership for the year is:

- Adam Brewer Chairman
- Matt Bond Treasurer
- Geoff Pook Company Secretary
- Marc Newton Maintenance Management (Shared Equity Owner)
- Anne Gladstone (App. January 2025) Tenant Liaison
- Martin Richards Member (Represents Beer PC)
- John Heath (App. May 2024) Member (Ward Councillor EDDC)

We currently have 4 vacancies on the board

These roles are undertaken by the board in general:

- Meeting and Minute Secretary
- Housing Lead
- Governance Lead
- Membership Secretary

These roles are informal shadow advisory roles which assist and complement the board:

- Sarah Coates – Social Media, Promotional, Membership Secretary assistance
- Chris Pickles – Website Maintenance

The following represent the appropriate organisation:

- Martin Richards - Beer Parish Council
- John Heath - Ward Councillor EDDC
- Cllr Paul Arnott - Devon County Council

The Allocation and Letting committee is a panel established to review the tenant allocations with specific focus on housing need and local connection qualifications:

- Tracey Humphries (EDDC housing)
- Anna Vine
- John Moughton
- Anne Gladstone (as Tenant Liaison)

Financial Audit

Hammett Associates were reappointed at the 2024 AGM to examine and report on the accounts for the 2023/24 year. The cost for 2022/23 was £3201 incl. VAT reflecting the additional work required to produce 2 sets of accounts, pre charity status Aug/Mar and post charity status Mar/July. Over the last 9 months the cost is materially lower as expected at £1,077. Paper and electronic copies of the 2023/24 accounts are available on request.

Internal / External Audit

There have been no additional audits

Meetings of the Management Board

The board has formally met 4 times over the last 12 months (September, October, December, and January) with an annual addition pre-AGM.

Change to Management Structure

At the AGM 23 it was agreed that we should employ a business or individual on a contract basis to be responsible for CLT administration and operating accounts and take on the tenant liaison and maintenance. On this basis we employed Certum Properties on a trial one-year contract. This worked well and took a significant workload off volunteer board members. Unfortunately, they are now unable to provide the service. Consequently, we informally interviewed 3 new candidates from originally 10 applicants and have offered the contract to Andrew Parkhouse, a dynamic and reasonably young retiree, local to Beer.

During the year we also appointed Anne Gladstone to the Board.

Charity Status

The CLT is a Co-operative and community benefit society, operating as a limited liability company registered with the FCA. It is recognised by HMRC as a charity for tax purposes.

Corporate Governance

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

The CLT has adopted policies in addition to the rules:

- A local Allocation Policy
- A Complaints Policy

Regulatory Applications

Beer CLT has Registered Provider status Registration number 4807 on 20/02/2015

Finance

Beer CLT accounts and financial statement are prepared by Hammett Associates. Accounts for the year 23/24 (July 31st) are available for examination

Key Financial Data

As a reminder, the Social Club development is now complete with the cost of the development at £1,595,265 (full details in 2023 report).

Current outstanding loan position:

• Loan as at 31/7/24	£1,130,000
• Repaid during 2024/25	£0
• Current outstanding	£1,130,000

Repayment plans: Preferred option currently with EDDC. Refinance full £1,130,000 over 26-30 years repaying interest and capital from rental income. Once we have rental income from the additional 2 SC houses gross rental income will be approximately £85,000 (current 2024) per annum with inflation linked rises.

Current Net Capital asset value to Beer CLT

ASSETS		% owned by		CLT equity	
		CLT	est value	value	value
Little Hemphay	1	20%	£340,000	£68,000	£68,000
	2	100%	£280,000	£280,000	£280,000
	3	100%	£280,000	£280,000	£280,000
	4	20%	£340,000	£68,000	£68,000
	5	100%	£290,000	£290,000	£290,000
	6	100%	£290,000	£290,000	£290,000
	7	20%	£350,000	£70,000	£70,000
Social Club	1	100%	£310,000	£310,000	£310,000
	2	100%	£310,000	£310,000	£310,000
	3	100%	£310,000	£310,000	£310,000
	4	100%	£310,000	£310,000	£310,000
	flat 1	50%	£260,000	£130,000	£130,000
	flat 2	100%	£260,000	£260,000	£260,000
				Total	£2,976,000

Rental Income

Rents were increased in April 25 in line with government policy at CPIH+1%, rather than CLT policy.

Current rents:

- Little Hemphay:
 - 2 Bed
 - Existing Tenancy £718
 - New Tenancy £740
 - 3 Bed
 - Existing Tenancy £774
 - New Tenancy £797
- Old Social Club House (2 Bed) £768
- Burrough House Flat (2 Bed) £724

We do not make a service charge however reserve the right to charge back contractor costs if common areas are not maintained to adequate standard. 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.

Due to various issues the April 24 rent increases were applied in June 2024. Rent increases were agreed at the January board meeting and were applied in April 2025.

Other Income:

Solar panels are fitted to the Little Hemphay site and FIT income (solar power income, residents have the advantage of the free electricity) is in line with expectations at around £2,000 per annum.

Income and Expenditure:

Including last 9 months (July 2024 to date, May 25)

Expenditure	year	year to date		Income	year to date	
		9 months	24/25		year	9 months
		23/24	24/25		23/24	24/25
Social club	£ 3,155.28	£ -		Rental income	£ 57,585.07	£ 60,185.89
Deposit return	£ 700.00	£ -		Deposits held	£ 1,763.34	£ 1,470.00
Management	£ 9,117.15	£ 100.00		Refunds	£ 31.56	£ -
Loan interest	£ 25,124.31	£ 17,772.66		Donations	£ 696.22	£ -
Legal fees	£ 10,918.80	£ 6,856.60		Sale income	£ 128,000.00	£ -
Capital repay	£ 270,000.00	£ -				
Accountant	£ 3,201.60	£ 1,077.60				
Maintenance	£ 1,744.43	£ 5,722.80				
Utilities	£ 970.88	£ 96.26				
Insurance	£ 657.13	£ 2,080.73				
CLT op expense	£ 419.59	£ 180.00				
Corp Tax	£ 1,065.78	£ -				
Regulation fees	£ -	£ 718.71				
	£ 327,074.95	£ 34,605.36			£ 188,076.19	£ 61,655.89

(*Income and expenditure summary as per cash book - figures may vary from accounts as accruals and prepayments not accounted for)

Projected Short Term Cash Flow (2026)

	Income	Expenditure
Rental Income	£85,000	
Solar Panel FIT	£2,000	
Loan Interest		-£30,000
Property Manager		-£4,000
Professional Services		-£6,000
Maintenance		-£6,000
Other (Utilities, Insurance etc)		-£3,000
Totals	£87,000	-£49,000
Balance available for Loan Repayment (pa)	£38,000	

There will be a requirement within our s106 agreement to complete the Little Hemphay garden this will incur a future cost in the region of £6,000

Future risks

- There are no specific risks over that of a normal landlord maintaining rental income.
- Void (empty between tenants) rates are low, less than 2% in normal times.
- Interest Rate increases which are not correlated to inflation would cause an income/interest mismatch, yet manageable with a current high level of interest cover and modest loan to asset value.
- The rental properties are insured through Howden.