

# European Community Land Trust Network

Title: Policy barriers to growth + opportunities  
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## **Policy barriers to growing the Community Land Trust movement**

This paper:

1. Sets out the main barriers to scaling up the Community Land Trust (CLT) model in Europe in relation to policy, building on the findings from the Sustainable Housing for Inclusive and Cohesive Cities (SHICC) project.
2. Sets out opportunities for addressing these barriers with reference to seven case studies which are included in the Annex.

Financial and governance barriers will be addressed separately.

### **1. Policy barriers**

#### **Barrier 1 - Lack of awareness - not seen as a legitimate partner**

- Government politicians and officials see CLTs as unknown and unproven - not a legitimate partner that can scale up and be a significant part of the 'system'.
- Community initiatives not seen as credible - culture of paternalism.
- Preference to support mainstream social housing models - seen as offering more instant results to the housing supply/affordability issues.
- Lack of clear owner within government - CLTs face siloes and are not understood as a holistic offer which can meet multiple policy priorities.

**Barrier 2 - Developing appropriate legal recognition and lease legislation:** Lack of legal status for CLTs means they often do not benefit from the same advantages as other accredited housing providers. This issue is exacerbated by a lack of regulation of wider housing stock e.g. second home ownership and absentee housing.

#### **Barrier 3 - Access to land**

- Uncompetitive nature of CLT bids vs. private developers who can get away with poor quality development.
- Allocation of land often goes to city agency housing associations who are not always receptive to partnerships with CLTs. They can feel threatened by the CLT approach to community involvement.

**Barrier 4 - Lack of technical support:** Setting up a CLT can be a daunting task and there is often a lack of technical support for this process, and a lack of seed funding.

**Barrier 5 - Taxation:** Taxation can provide disincentives for CLTs and perversely promote other forms of land ownership. This can relate to, for example, lack of access to reduced VAT rates and taxation issues in relation to the acquisition of land from a public authority.

**2. Policy opportunities**

<b>Opportunity</b>		<b>Barrier</b>	<b>Explanation</b>
Opportunities for the Europe Community Land Trust network			
1	Co-ordinate consistent, long-term approach to impact assessment across CLT network	1	
2	Co-ordinate ‘visioning’ exercise with policymakers; Consider wider communications activities to raise public awareness.	1	Including site visits / open delegations to existing projects to celebrate CLTs ‘unique selling points’ including: affordability in perpetuity and community stewardship. <b>Case study 1: Campaign to raise awareness about Community Led Housing in Scotland</b>
3	Share best practice	1	Offer peer-to-peer learning across CLTs and point to proven examples which demonstrate value-add of CLTs.
Opportunities for policymakers			
4	<b>Access / awareness</b> - Offer point of official contact in your Government	1	Official contact who can coordinate CLT engagement within Government, avoid CLTs falling through silos and provide CLTs with a ‘seat at the table’ in discussions.
5	<b>Legal recognition</b> - Recognise Community Land Trusts in law	2	This will ensure CLTs are offered the same legitimacy and benefits as other affordable housing providers. <b>See Case Study 2: Legal recognition in England, Brussels, Ireland.</b>
6	<b>Access to land</b> - Consider opportunities for progressive planning permission / pre-emption rights for CLTs to support access to land.	3	Progressive planning permission should include consideration of inclusionary zoning techniques, such as those in the US, which require that a given share of new construction is affordable by people with low to moderate incomes. In England, Section 106 Agreements are legal agreements between Local Authorities and developers linked to planning permission used to balance the pressure created by the new development with improvements to the surrounding area ensuring that, where possible, the development would make a positive contribution to the local area and community. Examples include an obligation to incorporate

			affordable housing into planning proposals. <b>See Case Study 3: Community Right to Buy and Asset Transfer Legislation (Scotland).</b>
7	<b>Access to land</b> - Use of non-competitive tenders / tenders based on use value	3	<b>See Case Study 4: Tenders assessed based on Doughnut Model (Barcelona/Germany); Community-Led Housing Land Disposal (Bristol).</b>
8	<b>Technical assistance</b> - Support the roll-out of local assistance hubs	4	Network of organisations providing technical support. Act as single points of contact carrying out the multiple tasks of: sharing information; technical assistance; training (in governance, management and citizen involvement); advice on financing and housing development; partnership building with Local Authorities and other key stakeholders. <b>See Case Study 5: Enabling Hubs in England</b>
9	<b>Tax</b> - Tax incentives for landowners/companies	5	Permit landowners to sell land at a discount to CLTs and off-set this against their tax liability - e.g. Bargain Sales model used in the US.
10	<b>Tax</b> - Tax property transactions to raise revenue for community led housing	5	Apply 1% tax on all property transactions locally to be used for revenue of the CLT (as has proved effective in the development of Burlington CLT).
11	<b>Tax</b> - Land value taxes to raise revenue for community led housing to capture use of locally generated assets.	5	E.g. taxing developers/house builders on the development costs or through an Infrastructure Levy on completed developments or through taking a share in the development.
12	<b>Tax</b> - Raise taxes on second homes to raise revenue for community led housing	5	For example, in Scotland, where there has been a big uptake in second homes since COVID.
13	<b>Tax</b> - Offer CLTs access to lower VAT thresholds	5	<b>See Case Study 6: Access to lower VAT threshold (Brussels)</b>
Opportunities for individual Community Land Trusts			
14	Increase dialogue with housing associations to	3	<b>See Case Study 7: Collaboration between Housing Associations and Community-Led Housing (England)</b>

	increase collaboration		
15	Explore opportunities for adapting CLT model to be more easily scaled within existing system	3	Linked to above e.g. partnership model with housing associations, developers and landowners, with more emphasis on CLTs securing land ownership, and a degree of control/influence over design and tenure, but not necessarily having to be the developer/ the building manager.

## ANNEX: CASE STUDIES

### **Case study 1: Campaign to raise awareness about community-led housing in Scotland**

South of Scotland Community Housing is working with Communities Housing Trust (CHT) on a year-long joint blog campaign in which the two organisations, which collectively represent the support to community-led housing projects across all of Scotland's geography, release one blog/ month to help educate people (the public, policymakers, and others) on community led housing in Scotland.

Their aim is to create a cohesive 'voice of the Scottish community led housing sector' by writing about what we do, what community led housing achieves, and how community led housing relates to other social issues and local concerns. The work is supported by the Nationwide Foundation and is intended to be the start of many different advocacy collaborations between the two organisations. They envision joint events, webinars, and research in the future, including assisting with the development of a Scottish community-led housing impact framework. The blogs can be found here:

<https://sosch.org/a-chance-for-radical-change-national-planning-framework-4-everyone/>

### **Case study 2: Recognising Community Land Trusts in Law**

**England:** A statutory definition of a Community Land Trust was added to the Housing and Regeneration Act 2008 – this definition applies only in England:

*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.*

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

**Inclusion in legislation brings the following benefits:** it is drafted in a way that is very broad which is enabling. Further it offers clarity and confidence to stakeholders involved and ensures emerging CLTs meet the standard (they often fail to meet the 'community' standards). It also makes it easier to initiate wider policy changes and CLT lobbying as there is already a reference point in law.

**Brussels:** Community Land Trust Brussels was recognised as a Community Land Trust by the region in 2021.

*A regional land trust (community land trust) is defined as a: non-profit organization, approved by the Government which determines the conditions, whose mission is to acquire and manage [ built or unbuilt real estate] in the Brussels- Capital with a view to creating [...] both accessible housing for households in a state of social precariousness and facilities of collective interest, among others. The regional land alliance retains ownership of the land but transfers ownership of the buildings to the households through dismembered real rights. It determines the rules for the resale of buildings which must ensure that they always remain accessible to families with a low income. For projects benefiting from regional subsidies, these rules must be approved by the Government.*

**Inclusion in legislation brings the following benefits:** This status, among other things enables Community Land Trust Brussels to have access to reduce VAT on the sale of properties, which is discussed further below. Source:

<https://www.ejustice.just.fgov.be/eli/ordonnance/2003/07/17/2013A31614/justel>

**Ireland:** Community Land Trusts were recognised in the Affordable Housing Act 2021 along with Community-Led Housing and Cooperatives. This had cross-party support. For now, CLTs have only been mentioned in law, but there has not yet been a definition (following the example of the Housing and Regeneration Act 2008 in England) nor regulation as to how a CLT might legally function or receive support, although the latter is envisioned in the Act.

### **Case study 3: Progressive policies to enable access to land**

**Scotland - Community Right to Buy** - Community Right to Buy (CRtB) allows communities in Scotland to apply to register an interest in land and the opportunity to buy that land when it comes up for sale. It is a pre-emptive right to buy land for communities throughout Scotland under Part 2 of the Land Reform (Scotland) Act 2003. It provides for those communities, who successfully register a community interest in land,

to have the first option to buy when the registered land is offered for sale. Community bodies can register an interest in any land, such as churches, pubs, estates, empty shops, woodland, fields and more. The Land Reform (Scotland) Act 2004 also established the Scottish Land Fund which supports the right in practical and financial terms. There have been two extensions to the Community Right to Buy which include (1) the Community Right to Buy abandoned, neglected or detrimental land (2015) and (2) the Community Right to Buy land suitable for further sustainable development (2016). Further, the Land Reform (Scotland) Act 2016 extended the right to urban communities.

Source:

<https://www.gov.scot/publications/community-right-buy-information-communities/#:~:text=A%20CRtB%20is%20a%20pre,land%20is%20offered%20for%20sale.>

*Project Example:* South of Scotland Community Housing (SOSCH) supported the Wigtown & Bladnoch Community Initiative (WBCI) to deliver their affordable housing project in Wigtown, which successfully used the CRtB. WBCI used CRtB to purchase a former Bank of Scotland building when the corporation vacated their Main Street branch in 2017 (amid a string of bank closures across the country). Wigtown is Scotland's Book Town, and WBCI used the opportunity of the bank's departure to buy the building (for approximately £150,000) and convert it into two affordable homes and 8-person visitor accommodation to support their tourism economy. Following delivery, WBCI have also used CRtB to register interest for land in the community and hope to continue to provide additional affordable housing options for people in Wigtown.

### **Scotland - Asset Transfer Legislation** - Part 5 of the Community Empowerment

(Scotland) Act 2015 introduces a right for community bodies to make requests to all local authorities, Scottish Ministers and a range of public bodies for any land or building they feel they could make better use of. They can request ownership, lease or other rights as they wish. The public authorities must transparently assess requests against a specified list of criteria, laid out in the Act, and agree the request unless there are reasonable grounds for refusal.

Source: <https://www.gov.scot/policies/community-empowerment/asset-transfer/>

*Project Example:* Langholm Old Police Station is an award-winning SOSCH-supported project featuring the successful use of Community Asset Transfer legislation. In 2017 the Dumfries & Galloway Council transferred the former police station, which had been vacant for over 15 years in Town Centre, to the Eskdale Foundation for redevelopment into



affordable housing. The community paid a nominal £1 for the building through the CAT and used a comprehensive package of additional funding sources to transform the building into a mix of family, accessible, and single-resident homes.

#### **Case study 4: Non-competitive tenders**

**Bristol** - Community Led Housing Land Disposal Policy - In Bristol in 2016, organisations involved in the community-led housing sector came together to look at how they could get more projects off the ground. One of the main barriers they faced was access to land. In response the Council developed a Community-Led Housing Land Disposal policy. This includes offering sites for community-led housing at a discounted rate using a methodology developed by the Social Value Portal.

Source: <https://democracy.bristol.gov.uk/documents/s45692/Appendix%20A1.pdf>

#### **Case study 5: Community Enabler Hubs (England)**

Enabling hubs are regional organisations that provide one-to-one technical support to community-led housing. They offer professional support and funding; introduction to professionals such as architects, planners and surveyors; introduction to local authorities and other potential partners such as housing associations and developers; arrange peer-to-peer sessions to network with other community led housing groups.

Source:

<https://www.communityledhomes.org.uk/make-it-happen#:~:text=Enabling%20hubs%20are%20regional%20organisations.progress%20your%20project%20more%20quickly>

#### **Case study 6: Lower VAT threshold (Brussels)**

When selling housing, Community Land Trust Brussels is subject to VAT. In 2021, approved Community Land Trusts became considered approved social housing companies within the meaning of Royal Decree no. 20 of July 20, 1970, fixing the rates of value added tax and determining the distribution of goods and services according to these rates. This means that completed projects are sold at a VAT rate of 6%, rather than 21%.

Source: <https://etaamb.openjustice.be/fr/2021031044.html>

### **Case study 7: Collaboration with housing associations (England)**

- The England Community Led Homes partnership published a guide in 2020 detailing numerous examples of diverse, productive collaborations between community-led housing organisations and Housing Associations. These projects recognise the strengths of both organisations.  
<https://www.communityledhomes.org.uk/sites/default/files/resources/files/2020-12/partnership-guidescrolling-version.pdf>
- CLTs in England utilise the skills of their enabling hubs and their advisers to act as ‘middlemen’ as housing associations have suggested they are more willing to work with such a partnership where they know a good local adviser exists.
- An example of this is the Kennett Garden Village, a 40 hectare, 500-home extension of the Kennett village in East Cambridgeshire. It will also include new roads, a school, a village square, large areas of green open space and community infrastructure, an enterprise park and a retirement village. Key partners include the private landowner, East Cambs Trading Company (a council-owned subsidiary also called Palace Green Homes), Bellway Homes and Kennett Community Land Trust.

Communities Housing Trust in Scotland also regularly works in partnership with Housing Associations to deliver projects. Examples include: [Gairloch Community Project](#) and [Staffin, Skye](#).