

Report for: Cabinet

Date of Meeting:	7 th January 2025
Subject:	Investment in Community Land Trust projects using Devolution funding
Cabinet Member:	Cllr Simon Clist, Cabinet Member for Housing
Responsible Officer:	Richard Marsh, Director of Place & Economy
Exempt:	There are no exemptions within the documents
Wards Affected:	District wide
Enclosures:	

Section 1 – Summary and Recommendation(s)

As part of the Devon Devolution Deal, £8m of funding has been made available to support a range of initiatives within the region. Authorities which fall within the boundary of the Devolution Area were invited to put forwards projects to benefit from this funding – with a particular focus on projects which could quickly deliver additional homes, green jobs or economic outputs and which may otherwise stall or be delayed without public sector intervention.

Within Mid Devon, two housing based projects were identified and put forwards: a Care Leaver Housing scheme and a scheme to support Community Land Trust projects. This report is focused on the Community Land Trust scheme and the detail relating to how grant funding (£350k) is intended to be utilised.

Recommendation(s):

That Cabinet:

- 1. Approves the use of Devolution funding (£350k) to support the delivery of identified Community Land Trust projects within Mid Devon, and;**
- 2. Grants delegated authority to the Director of Place and Economy, in conjunction with the Cabinet Member for Housing, to enter in to Grant Agreements with Devon County Council (as accountable body) and the relevant organisations associated with the CLT projects in order to enable spend of the grant funding and the delivery of associated outputs within the requisite timetables.**

Section 2 – Report

1.0 Background/Introduction

- 1.1 The Combined Authority (with Devon as the accountable body) has secured £16m of grant funding through the Devon Devolution deal. £8m of this funding is to be utilised to support a range of housing, green jobs and economic initiatives within the Combined Authority region.
- 1.2 For Mid Devon, two proposals were submitted. One focused on utilising grant funding to support Care Leaver housing whilst the other focused upon grant funding (350k) to support the delivery of Community Land Trust projects. The funding to support CLT projects is the focus of this report.
- 1.3 Community land trusts – or CLTs – are democratic, non-profit organisations that own and develop land for the benefit of the community. They typically provide affordable homes, community gardens, civic buildings, pubs, shops, shared workspace, energy schemes and conservation landscapes.
- 1.4 Utilising Devolution funding to support CLT schemes was considered to be an appropriate use of the funding as the provision of high quality, locally led community housing projects is a key corporate priority for Mid Devon District Council (MDDC) as set out in the Corporate Plan and the Council’s Housing Strategy 2021 – 2025. It also supports wider policy objectives at a local, regional and national level – including through planning policy.
- 1.5 CLTs are also considered to be a particularly attractive alternative method of housing deliver as CLTs have well established and democratic governance arrangements which give communities control over assets and revenue (the creation of an income stream and source of financial resilience for the community owning the assets (homes/land)).
- 1.6 Schemes in Thorveton and Chawleigh were identified as potential beneficiaries of funding as they were considered to be policy compliant schemes which had a good prospect of delivery, which could spend quickly given their current status and where their delivery may otherwise be challenged or delayed without public sector grant funding support.
- 1.7 In Thorveton, provision of grant funding will support the CLT in acquiring the land required to deliver the CLT scheme and put it on a strong footing for onward delivery. In Chawleigh, funding will be used to offset abnormal development costs which have presented a barrier to delivery of the scheme.
- 1.8 Through the use of the funding, it is anticipated that 29 additional ‘affordable’ units will be delivered within the District. The affordable homes unlocked through the funding will provide true benefits for the local community that will be legally protected in perpetuity. CLTs are legally required to be ‘asset locked’ organisations that hold assets in perpetuity for the benefit of their community.

2.0 Next steps

- 2.1 Now that funding has been confirmed by Devon as the accountable body acting on behalf of the Combined Authority, it is necessary in order to agree and enter in to Grant Agreements with DCC in order to secure the grant funding and enable onward payment to the CLTs. It is a funding requirement that it is committed before the 31st March 2025, this must happen as a matter of urgency.

As such, discussions are currently underway between officers of MDDC and DCC in relation to the Agreements in order to ensure that these can be completed as soon as possible and approval is sought so that agreements can be finalised and signed.

- 2.2 Alongside this, discussions are also underway with the CLTs (Thorveton and Chawleigh) in order to progress, finalise and enter in to equivalent Agreements which establish the requirements of the funding – including around eligible spend and timetables. Again, approval is sought to support the entering in to agreements between MDDC and the CLTs.

Financial Implications:

There are limited direct financial implications for the Authority as a consequence of this work. The Council already seek to support CLT projects through its Housing Enabling Officer and utilisation of this devolution funding simply supports that role/the Council in fulfilling its aim of supporting CLT projects. Some minor notional costs will be incurred in staff time, but these costs will be absorbed within usual staff costs as completion of the work supports council objectives and is aligned with job functions.

The direct cost of supporting the CLT projects (£350k) will be met through the grant funding granted by the Combined Authority via Devon as accountable body. There will therefore be no direct cost to the Council of supporting these initiatives albeit the community benefits of support will accrue to the District and its residents.

It could be argued that there is an opportunity cost of supporting these CLT schemes over other initiatives, but supporting the CLTs is considered appropriate and favourable as it supports wider Council objectives and supports actions and conclusions from the recently completed Devon Housing commission.

In the event that funding is not committed by the deadline, or where local agreement is not reached with the accountable body to extend the availability period of funding, the grant funding will have to be returned to the accountable body and, in all likelihood, to Government. This means that ensuring spend is important to ensure against the loss of funding. It also means that it will be necessary to ensure that Mid Devon and the CLT's do not incur cost where it is not considered that the projects will meet spend deadlines in order to avoid incurring abortive spend. Should it become apparent that the identified CLTs are unable to spend the funding before the

deadline, it may be possible to seek to support other CLTs with emerging funding needs if spend can meet the requisite timetables.

Legal Implications:

As set out above; legal agreements will need to be entered in to in order to support the securing of grant funding by Mid Devon and to support onward transition to the CLT projects. The Agreements will set out the legal responsibilities between the respective bodies.

No other legal implications or issues are considered to arise for Mid Devon but it should be noted that the legal agreements with the CLT's will pass obligations and requirements on to them around the way funding can be used and restrictions on onward sales and use etc of the properties/land concerned. These are largely considered to support the overarching objectives of CLT's of keeping properties in perpetual local ownership and control but it may require some more detailed discussions in order to ensure that these arrangements support wider needs in terms of supporting borrowing for investment in to the wider projects/other developer schemes.

Risk Assessment: As set out above, failure to commit the money within the required timeframe is a significant risk to the projects. The tight timescale (31st March) accrues from the significant delay in confirming the funding as a consequence of the change of Government and the associated delay in confirmation of Devon's devolution funding and the associated funding. Risk mitigations for this issue are limited and so achieving the tight timetable for delivery relies upon quick actions on behalf of the Council and the CLTs.

If any new issues or challenges are encountered which introduce programme delay then these are likely to equate to significant risk in achieving the required delivery deadline.

Impact on Climate Change: Construction of new properties will always generate additional carbon outputs which have a negative impact upon climate change. However, this investment is considered appropriate as, in a wider sense, it supports investment in to housing which is needed locally and which supports our communities in remaining affordable and sustainable.

Equalities Impact Assessment: There are no issues arising directly from this report.

Relationship to Corporate Plan: The proposed projects support objectives as set out within the Corporate Plan.

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer: Andrew Jarrett

Agreed by or on behalf of the Section 151 Officer

Date: 17/12/24

Statutory Officer: Maria de Leburne
Agreed on behalf of the Monitoring Officer
Date: 17/12/24

Chief Officer: Stephen Walford
Agreed by Chief Executive
Date: 17/12/24

Performance and risk: Stephen Carr
Agreed on behalf of the Corporate Performance & Improvement Manager
Date: 16 December 2024

Cabinet member notified: Yes

Section 4 - Contact Details and Background Papers

Richard Marsh, Director of Place & Economy
Email: rmarsh@middevon.gov.uk

Background papers:

N/A