

This is one of a series of case studies produced as part of the 'Learning from the Big Society Project'. It aims to draw lessons from the Eden Valley Big Society Vanguard, covering the parish groupings in Upper Eden, Heart of Eden and Lyvennet Valley, each of whom had worked together to produce a Community Led Plan for their area.

Many of the projects covered in the case studies are currently in development but we can still learn from the experiences of the communities and agencies involved.

## The Challenge

The communities of the Eden Valley exist within an attractive, rural environment characterised by outstanding landscapes in a countryside rich with natural and cultural heritage.

The population live in traditional market towns or in the numerous small and dispersed villages, hamlets and farms.

It is largely a consequence of the attractiveness of the Eden Valley that makes the availability and affordability of houses for people who live and work in the area such a challenge.

The affects on the market of high demand and limited supply means house prices are typically higher than many can afford. This is compounded by the relatively low wage rates in the Eden Valley.

Each of the communities in the Eden vanguard have agreed, through their Community Led Plans, that action is required urgently to make affordable housing more widely available.

## Locally tailored solutions

Housing planners are being challenged to take advantage of the opportunities arising through the Big Society and the local decision-making and activity being demonstrated by the communities in the Eden Valley.

The Government has set out proposals to give local communities the power to decide what is built in their area. This 'Community Right to Build' means that communities will be able to decide the type of developments and housing they want to see and, significantly, the benefits will be retained for the community, managed by a corporate body formed by members of the local community.

For the communities in the Lyvennet Valley they are already demonstrating how like-minded people from a local area can come together with a shared vision of what they want to achieve and how to go about it.

The introduction of new powers for communities should make that easier, enabling community organisations to take forward new local developments, without the need to go through the normal planning process. Proposals will need to meet certain criteria and have evidence of community support through a local referendum.

# Lyvennet Community Trust Affordable Housing Project

## Background

The Lyvennet Valley Community Plan covers the communities of Crosby Ravensworth, Kings Meaburn, Maulds Meaburn and Reagill in the Eden District of Cumbria. Published in 2009, the Plan confirmed the lack of affordable housing for local people as the second highest priority for the communities involved.

A Housing Needs Survey was carried out in 2008 which identified twenty-three households with housing need. The results were reported at a public meeting from which a group of people came forward to form an affordable housing group.

## The Project

The housing group looked at working with Housing Associations and at community owned affordable housing and decided to explore a Community Land Trust (CLT) approach. This was made possible by the presence of the Community Land Trust Project Officer employed by Cumbria Rural Housing Trust.

The main priority was the purchase of a large industrial brownfield site for sale in Crosby Ravensworth, but the group also investigated twenty-six other sites in Crosby Ravensworth and Maulds Meaburn with assistance from Eden Districts Head of Planning.

The Lyvennet Community Trust (LCT) incorporated as a charitable company and were awarded a £30,000 preliminary scheme costs loan (which could be written off) from the CLT Fund and a similar loan from Eden District Council. The group worked up a business plan to develop ten houses to rent and two as shared ownership; all to be retained by the Trust in perpetuity. A further eight self-build plots with local occupancy restrictions were included to subsidise the development. The whole scheme is intended to be affordable to a range of local incomes. On completion of the business plan they began negotiations with the owners of the brownfield site.

## What have the challenges been?

**Credibility:** As a new voluntary organisation it was initially difficult for the Trust to appear credible to the vendor. However the vendors agents were reassured by the Trust's leaders who were professional project managers in their day jobs. (CLTs normally cost project management into their scheme budget).

**Site purchase loan:** This was secured on the back of a high quality business plan which generated a £300,000 development loan from Venturesome / Charities Aid Foundation (part of the CLT Fund) which enabled the Trust to make a real bid for the site. Venturesome was the only organisation prepared to provide finance to the new formed Trust within time and this undoubtedly unlocked the situation.

**Processes:** CLTs can apply for Housing Grant which involves lengthy regulatory processes with the Homes and Communities Agency (HCA) and Tenant Services Authority (TSA). This was almost entirely handled by the Trust with some support from the HCA. As a result LCT became the first CLT Registered Provider of social housing with the TSA. High level access to the Department for Communities and Local Government through Big Society Vanguard resolved some issues and it is hoped bureaucracy might reduce in the future.

***“The legal documents have been tortuous; from a five page email from the Charity Commission full of legal jargon through to the 136 page legal agreement from the Homes and Communities Agency for the Housing Grant. By contrast Charity Bank has a 9 page agreement for a £1m loan!*”**

***“Close to the March deadline more new documents appeared for the group to sign with only three days notice to read through and agree them. The group is fortunate to have a solicitor as a member who has donated a huge amount of time.”*”**

**David Graham,  
Chair of Lyvennet Community Trust**



Members of LCT with the site's vendor at the site in Crosby Ravensworth

**Deadlines:** Due to the emergency budget in June 2010 the Trust was subject to unusually tight deadlines to secure funding. They had from November 2010 until March 2011 to buy the site, obtain planning permission, tender and sign off build contracts, and secure development finance to match Housing Grant.

Big Society Vanguard status undoubtedly helped but it was the Trustees who drove the scheme forwards and ensured tasks were completed. With support from Eden District Council, the HCA, and Eden Housing Association LCT was awarded £660,000 Housing Grant. They also secured a £1m development loan from Charity Bank; keen supporters of social enterprises.

**Regulators:** The Trust found their charitable objects did not meet new Charity Commission requirements. This was resolved by CLT specialists Cobbetts Solicitors. The Tenant Services Authority also insisted on other changes to the governing documents. All this introduced delays and extra costs and some discomfort that the Trust was being moulded by outside forces.

**Planning:** Members of the Trust sat down with the planning officers at Eden District Council and the architects to resolve potential problems and meet the HCA deadline.

**HCA:** To qualify for Housing Grant the houses needed to meet the Code for Sustainable Homes Level 3. Code requirements are not always compatible with rural areas; points are deducted for not having mains gas or bus stops and with a low crime rate security glass or security lighting isn't required.

## What has been achieved?

The tenacity and hard work of the LCT will create twenty new houses in Crosby Ravensworth to meet the needs of local people; *much more than would have been delivered if the site had been sold to a developer*. The housing to rent will be completed by 2012 and the self-build housing by 2014.

## The Learning

**Finance:** Communities cannot get started without specialist funding. The Tudor Trust provide initial funding for CLTs. Further financial support is then available from Venturesome; a risk free loan aimed towards developing planning and getting a scheme to a stage where external funders step in.

**Sites:** Communities can be very effective in securing better outcomes and private owners are willing to negotiate if there is an offer on the table.

**Mortgage lending:** Support for shared ownership mortgages is very patchy due to the small scale of the market. Government incentives would help.

**Process:** Partly as a result of the Big Society vanguard the HCA are reviewing the way they work with local communities and CLTs and may simplify some of their procedures.

**Documents:** Having a set of model documents and policies available for CLTs to adopt would have made the process quicker and easier. This is now available through the web site for the new CLT Network hosted by the National Housing Federation.

**Enabling:** The support of the Community Land Trust Project Officer at Cumbria Rural Housing Trust has been invaluable in being able to promote and support new groups; increasing the likelihood of them developing projects successfully. This post is now funded by the Tudor Trust and the Rural Development Programme for England.

The CLT Officer provides company and business planning support, access to set up grants and loans from the CLT Fund, set up grants from Local Authorities and links to legal and housing expertise.

Working with the Lyvennet Community Trust the Homes and Communities Agency has learned more about the challenges facing small communities and what can be achieved.

As a result they are providing excellent support for several of the twelve CLTs in progress in Cumbria. Housing Associations are also beginning to get involved.

**LCT itself:** Importantly, the experiences of the Trust have been shared within Cumbria and at national events and are already helping other CLTs to progress more efficiently.

## Lyvennet Community Trust had investment from:

**Charities Aid Foundation's Social Investment Fund, Venturesome**  
[www.cafonline.org.uk](http://www.cafonline.org.uk)

**Homes and Communities Agency**  
Tel: 0300 1234 500  
[www.homesandcommunities.org.uk](http://www.homesandcommunities.org.uk)

**The Tudor Trust**  
Tel: 020 7727 8522  
[www.tudortrust.org.uk](http://www.tudortrust.org.uk)

**Charity Bank**  
Tel: 01732 774040  
[www.charitybank.org](http://www.charitybank.org)

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**Cumbria Rural Housing Trust**  
Tel: 01768 210265  
[www.crht.org.uk](http://www.crht.org.uk)

**CLT Network**  
Tel: 020 7067 1191  
[www.communitylandtrusts.org](http://www.communitylandtrusts.org)

**For more information about this and other case studies in this series, please contact ACT on Tel: 01768 840 827 or Email: [info@cumbriaaction.org.uk](mailto:info@cumbriaaction.org.uk)**

### Topics covered in this series:

- Community Housing
- Community Broadband
- Community Owned Enterprise
- Community Renewable Energy
- Neighbourhood Planning
- Community Transport



Cumbria Rural  
Housing Trust

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