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The potential of Community Land Trusts in forging resilient communities

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Introduction

The UK enjoys a long standing tradition of protecting land for community benefit; from the preservation of common land, to the Garden Cities movement of the early 20th Century. These community benefits include preservation of green spaces, encouraging collective activism, and strengthening community spirit. More recently, this tradition has been joined by the principle of community asset transfer: a term used to describe the process of the transfer of the ownership (or leasehold) of property or land from local authority to the hands of community groups. Since the publication of the Quirk Review in 2007, the concept of asset transfer has gained growing political momentum, with increasing recognition of its role in local economic development and promoting community empowerment and local democracy.

Community Land Trusts (CLTs) serve to bring together the principle of protecting land for community benefit with the more recently emerging agenda of asset transfer, and are essentially a mechanism for the democratic ownership of land or buildings by local communities. CLTs offer an innovative model for tackling many of the social agendas that affect both rural and urban communities; from helping to tackle housing shortages, to promoting active citizenship and community empowerment.

This Local Work begins by explaining Asset-Based Community Development (ABCD), an approach which sees community assets as the key to sustainable community development. Following this, CLTs are explained in more detail and how the model corresponds with the ABCD approach. Next, the policy agendas which CLTs complement are considered, honing in on asset transfer, empowerment, and housing. This Local Work concludes by outlining some of the challenges around CLTs, and how they can be overcome, and finally considers how CLTs can contribute towards forging resilient local communities, drawing on CLES' model of economic resilience.

Asset-Based Community Development

"Community groups with assets are players: they have something to bring to the table, their partnerships with the State and private sector start on a firmer basis, and are much more likely to be productive" (Development Trusts Association¹)

At the heart of Community Land Trusts is the principle that land and property ownership is a means of empowering local people to help themselves and make sustainable improvements to their communities. CLTs can be understood within the wider context of community development, most notably the Asset-Based Community Development model, or ABCD; a strategy for community-driven development in urban and rural areas. ABCD has become increasingly influential in both the US and here in the UK and its founding principle is that:

"people in communities can organise to drive the development process themselves by identifying and mobilising existing (both often unrecognised) assets, thereby responding to and creating local economic opportunity" (Mathie & Cunningham, 2003, p.474).

The ABCD model is in stark contrast with that of needs-based approaches to community development in which outside organisations and initiatives identify the needs, problems and solutions for deprived communities. Some argue that this approach has "inadvertently presented a one-sided negative view, which has often compromised, rather than contributed to, community capacity building" (ibid, p.476). It is argued that the needs-based approach positions members of the community as "'clients' or consumers of services with no incentive to be producers" (ibid, p.475). In contrast, ABCD seeks to empower and raise the capacity of communities to take action for their community's own economic and social development. As Mathie and Cunningham (2003) comment, "Arising as a reaction against mainstream approaches to development that marginalised the poor and powerless, participatory development work has pushed for change that builds the capacities of the disadvantaged and transforms inequitable social relations" (p.482).

To realise local social and economic opportunity, the model recommends that community assets be drawn upon. These may be social assets, such as the particular talents or personalities of individuals, or social capital and social networks. For Mathie & Cunningham:

"At the core of ABCD is its focus on social relationships. Formal and informal associations, networks and extended families are treated as assets and also as the means to mobilise other assets of the community" (ibid, p.479).

Social capital is a concept that has become increasingly well established in the last two decades. It is most commonly associated with the work of Putnam (2000) who defines social capital as:

"features of social life – networks, norms and trust – that enable participants to act together more effectively to pursue shared objectives...Social capital, in short, refers to social connections and the attendant norms and trust" (pp.664-5).

For Putnam (1995), "life is easier in a community blessed with a substantial stock of social capital...networks of civic engagement foster sturdy norms of generalized reciprocity and encourage the emergence of social trust" (p,67). Moreover, social capital is seen as being productive, "making possible the achievement of certain ends that in its absence would not be possible" (Coleman, 1988, p.98). Indeed, ABCD can be seen as a "practical application of the concept of social capital" (Mathie & Cunningham, 2003, p.479).

As well as drawing on social assets, such as social capital and the relationships that bind communities, the ABCD model also advocates that communities utilise their tangible assets, such as

¹ See <http://www.dta.org.uk/activities/campaigns/communityassets/introcommunityassets.htm>

land, natural resources, buildings and financial assets. The principle of ABCD can therefore be seen as underpinning the Community Land Trust movement.

What are Community Land Trusts?

According to Community Finance Solutions², CLTs are defined as:

“a mechanism for the democratic ownership of land by the local community. Land is taken out of the market and separated from its productive use so that the impact of land appreciation is removed, therefore enabling long-term affordable and sustainable local development. The value of public investment, philanthropic gifts, charitable endowments, legacies or development gain is thus captured in perpetuity, underpinning the sustainable development of a defined locality or community”

CLTs therefore challenge the orthodoxy of privatisation of assets that has prevailed since Thatcherism. In the spirit of communalism and mutualism, CLTs seek to capture the value of land and other community assets for the benefit of the community and future generations, rather than for private sector developers. According to guidance from Community Finance Solutions (2007), the core principles underpinning CLTs can be summarised as follows (p.1):

- A separation of land and its use;
- Capturing land for use by future generations;
- An acceptance that enterprise and trade are necessary and people want to build asset values, while acknowledging we are more than just economic actors;
- A belief that communities do exist and that there are enough people in those communities who want to be actively involved. Underneath this is an assumption that local control matters;
- A perception that communities are more effective than the state in forwarding their interests;
- Activity must maintain the value of the land, ensuring principle No. 2 is fulfilled;
- Collective activity must be on a scale that is manageable.

The historical background

Throughout the 1950s and 1960s, State ownership of land was dominant in the UK. Perhaps the most visible demonstration of this was the council house developments of the mid-20th century, built and operated by local authorities to supply homes on secure tenancies, at below market rents for those individuals who would otherwise struggle to find good quality accommodation. This was coupled with a long standing tradition of publicly owned land, such as ‘commons’ and the National Trust, which is today one of the largest landowners in the UK.

Whilst the National Trust and common land remain largely protected, state ownership of housing was challenged when the Conservative party came into power in 1979. Under Margaret Thatcher’s Conservative Government, council house tenants were given the ‘right to buy’. According to Community Finance Solutions (2007), the impacts of right to buy, and the privileging of asset ownership to British economic life more broadly, has been that “home ownership has become less affordable and at the same time fewer affordable homes in both urban and rural areas” (p.1) are being built, leading to a crisis in housing. Furthermore, neo-liberal ideology has altered the way in which we perceive land and housing, leading to a culture of valuing them purely as financial assets and divorcing them from the community. This ideology can also be seen as underpinning certain trends in regeneration over the last two decades, for instance the redevelopment of land by private sector investors for commercial purposes.

Community Land Trusts therefore, have been presented as an alternative model of land ownership to the neo-liberal orthodoxy of Thatcherism. CLTs seek to “sustain community ownership, lock in land

²Community Finance Solutions is an independent research and development unit engaged in promoting and developing integrated solutions for financial and social inclusion, and community asset ownership, located within the University of Salford. For more information on CLTs, see their website: <http://www.communitylandtrust.org.uk/>

value and support community based housing and enterprise" (ibid, p.6). Whilst CLTs have recently risen up the political agenda, the principles that they are based upon have a long standing tradition in Britain. In the late 18th century, political writer Thomas Spence published his pamphlet *The Rights of Man*, setting out the fundamental link between freedom and the right to common land. He took issue with the "increasingly obvious economic benefits of [land] enclosure to landlords" (ibid, p.91), and proposed that a new system be developed so that "commoners could reap economic value to meet their own needs" (ibid); Spence's vision can therefore be seen as an early case for CLTs. Perhaps the most well known CLT is that of Letchworth Garden City. The brainchild of Ebenezer Howard, Letchworth Garden City sought to capture the value of property development for community benefit. However, whilst CLTs have a long history in the UK, it was not until the last two decades that they have been recognised in a "conscious and purposeful way" (ibid, p.92).

The Policy Context

In recent years there has been growing interest within policy makers around the issue of Asset-Based Community Development, with which CLTs are associated. There has been increasing recognition within Government as to the potential for community ownership of assets (such as land, buildings and workspace) to help tackle inequality by empowering communities by raising capacity, aspirations, and social capital. Having outlined what CLTs are and the approach to community development upon which they are based, this Local Work will now examine the policy themes to which they correspond.

Asset transfer

There has been an increasing interest in the value of asset transfer in community development and regeneration in recent years; particularly in terms of the potential for community organisations to take on the ownership and management of local assets in order to realise real gains for local communities. Published in May 2007, the Quirk Review³ set out the benefits of local groups owning or managing community assets such as village halls, community centres, building preservation trusts and community enterprises. According to the Review, the community benefits of owning assets are many, and include:

- The creation of jobs for local people with the effect of increasing wealth in the community;
- The new use of existing land or facilities can have a powerful multiplier effect. It can restore confidence in that place, it can restore the viability of local businesses, it can help to reverse the exodus of residents and businesses;
- Asset-based, community anchor organisations with a broad community remit and a multipurpose function can play a powerful role in promoting community cohesion by bridging the ethnic, faith and other divisions that may be present in communities, and promoting mutual understanding and harmony;
- Asset ownership can have a major effect in building community confidence and a sense of worth;
- The surpluses generated by the assets remain in the community;
- Restoring community assets to productive use, that directly addresses current local needs, can give a significant psychological boost to local communities giving them a new hope in their future.

Since the publication of the Quirk Review, the Government has maintained its interest in the agenda. For example, the Government has introduced a new programme, 'Advancing Assets for Communities' led by the Development Trusts Association which aims to support local authorities and their community partners to develop joint plans for asset transfer. In July 2008, Communities and Local Government published its Empowerment White Paper, entitled *Communities in control: Real people, real power*⁴, which set out the Government's plans on "passing more and more political power to more and more people, using every practical means possible" (p.21). Whilst the Government failed to translate many of the White Paper's recommendations into legislation, one idea that has taken hold is

³ Cabinet Office (2007) *Making Assets Work: The Quirk Review of community management and ownership of public assets* accessed at: <http://www.communities.gov.uk/documents/communities/pdf/321083.pdf>

⁴ CLG (2008) *Communities in control: Real people, real power*, accessed at: <http://www.communities.gov.uk/documents/communities/pdf/886045.pdf>

that of the new Asset Transfer Unit. Led and managed by the Development Trusts Association, the Asset Transfer Unit⁵ is funded by Communities and Local Government and aims to empower local people and organisations to transform land and buildings into vibrant community spaces.

Empowerment

Reflecting upon Labour's time in power, tackling social exclusion and reducing disadvantage through community empowerment emerges as one of the party's most prominent ambitions. Indeed, over the last twelve years Government policy, coupled with numerous initiatives, have had the concept of empowerment at their heart. This is underpinned by the belief that by empowering communities, individuals will become active citizens and be able to identify and alleviate social problems. According to Communities and Local Government⁶, there are three key ingredients to community empowerment:

1. **Active citizens:** people with the motivation, skills and confidence to speak up for their communities and say what improvements are needed;
2. **Strengthened communities:** community groups with the capability and resources to bring people together to work out shared solutions;
3. **Partnership with public bodies:** public bodies willing and able to work as partners with local people.

CLTs can play a powerful role in contributing to all three of these ingredients. As explored above, asset-based approaches to community development reposition individuals as active citizens and producers, rather than 'clients' or consumers of top-down interventions. Furthermore, as Mathie and Cunningham (2003) note, "At the core of ABCD is its focus on social relationships" (p.479), with formal and informal associations and networks treated as assets. Therefore, in effect, the approach serves to strengthen communities by utilising already existing social capital. Finally, ABCD serves to strengthen partnerships through the transfer of assets from local authority ownership to the hands of the community.

The Government's aspiration to foster community empowerment has played out in a number of policy documents. The 2006 Local Government White Paper, *Strong and Prosperous Communities*⁷, had empowerment as a central theme, stating that "public services are better, local people more satisfied and communities stronger if involvement, participation and empowerment are at the heart of public service delivery" (p.45). Once again, the community benefit of asset transfer was also drawn upon, with the Government stating that they would "introduce a fund to give local authorities capital support in refurbishing buildings to facilitate their transfer to community management and ownership" (p.171). More recent publications include the Empowerment White Paper⁸ published in 2008, and the Government's consultation on *Strengthening local democracy*⁹ which was launched in July 2009.

Housing

In recent years, there has been increasing recognition that community control of assets and the CLT model in particular, has the potential to help alleviate the housing crisis. As noted earlier in this Local Work, Thatcher's principle of individual asset ownership has led to a legacy of house price inflation meaning that home ownership has become less affordable, whilst at the same time fewer affordable homes have been built. In rural areas, the purchase of second homes by wealthy commuters and retirees has meant that in many communities first time buyers have been priced out of the housing market with significant implications for the social and economic vitality of rural communities. More

⁵ See <http://atu.org.uk/>

⁶ See

<http://www.communities.gov.uk/communities/communityempowerment/aboutcommunityempowerment/whatiscommunity/>

⁷ CLG (2006) '*Strong and Prosperous Communities*', accessed at:

<http://www.communities.gov.uk/documents/localgovernment/pdf/152456.pdf>

⁸ CLG (2008) '*Communities in control: Real people, real power*', accessed at:

<http://www.communities.gov.uk/documents/communities/pdf/886045.pdf>

⁹ CLG (2009) '*Strengthening local democracy: Consultation*', accessed at:

<http://www.communities.gov.uk/documents/localgovernment/pdf/1290537.pdf>

recently, the economic recession has highlighted the unhealthy borrowing and lending practices that have fuelled, and been fuelled by, the aspiration for asset ownership. This aspiration sees land and housing purely in terms of financial assets, as opposed to the value they have for the community.

The CLT model has emerged as a credible response to this crisis, and is gaining growing attention across the political parties as a way of increasing the supply of affordable housing and contributing towards the creation of sustainable communities. By separating the ownership of land from the ownership and use of buildings, structures or activities on it, CLTs “limit the effects of inflationary and speculative land value increases on the affordability of homes and workspaces and services in local communities” (Community Finance Solutions, 2008, p.33).

Following the publication of the Government’s Housing Green Paper in 2007, *Homes for the future: more affordable, more sustainable*¹⁰, the potential of applying the CLT model to the affordable housing challenge has developed significant momentum. This enthusiasm has played out in the development of the ‘National Community Land Trust Demonstration Programme’ by Community Finance Solutions, funded by the former Housing Corporation, the Higher Education Funding Council in England and Carnegie UK Trust¹¹.

Challenges

So far, this Local Work has outlined the opportunities that can arise from the development of a CLT. Clearly there is significant enthusiasm around this agenda, both at Central Government level and in the community. However, despite this, there remain a number of potential challenges that may be encountered when attempting to establish a CLT, some of which are explored below.

<i>Potential challenge</i>	<i>Local authority response</i>
<p>Raising investment is likely to be a potential challenge for those community groups wishing to establish a CLT. Whilst CLTs are often established with the support of venture philanthropists, they may also require loans from banks. Due to the economic crisis, banks and lenders are becoming much more risk-averse which may mean a reduction in funding sources for community projects.</p>	<p>It is important that there are a mix of capital grants and loans available for such projects. Moreover, local authorities may need to develop and promote new forms of community finance to make CLTs possible.</p>
<p>Partnership working is vital to the successful establishment of a CLT, requiring the cooperation of social, public and private sectors.</p>	<p>Local authorities have a role to play in developing strong relationships with community groups in order to make asset transfer possible, and may also be required to act as a broker between community groups and the private sector – for example, in negotiations to take over disused land.</p>

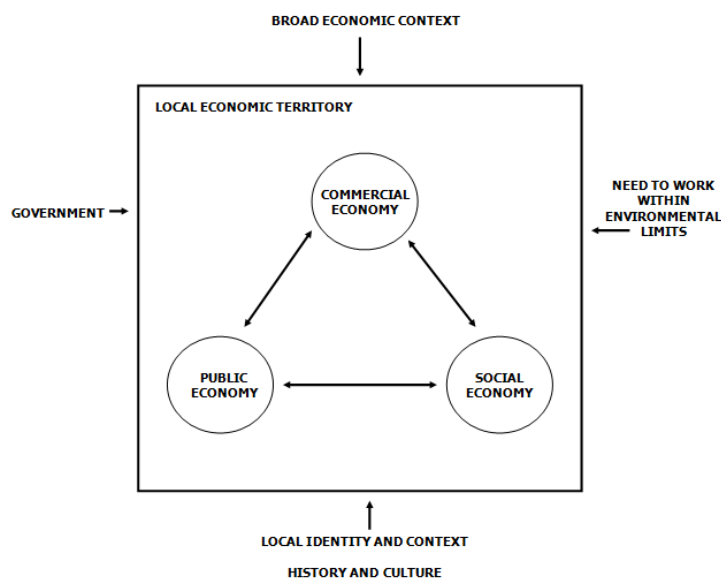
¹⁰ CLG (2007) *Homes for the future: more affordable, more sustainable*; accessed at: <http://www.communities.gov.uk/documents/housing/pdf/439986.pdf>

¹¹ See http://www.communitylandtrust.org.uk/index.php?option=com_content&task=blogcategory&id=47&Itemid=70

<p>A need for innovative thinking amongst partners. Whilst receiving growing recognition amongst policy makers and central government level, there may nevertheless be reticence amongst some local authority officers to adopt an approach that challenges the status quo and may appear risky.</p>	<p>It is important that the value of CLTs is fully conveyed to officers and, more broadly, that the authority encourages a culture of innovation. This may mean adopting a more flexible approach to planning and actively encouraging asset transfer.</p>
<p>Raising capacity amongst community groups may be necessary in order for them to be able to 'get to grips' with developing a CLT, particularly if a transfer of an asset is involved.</p>	<p>Local authorities could provide a supportive role to community groups, helping them to navigate the financial and legal complexities.</p>
<p>Reliance on volunteers can be a challenge. If volunteers draw back due to other commitments, such as paid work, the development of a CLT might be set back.</p>	<p>By working to raise community groups' capacity, local authorities can encourage better management of volunteers and thus encourage retention.</p>

Conclusions

Based on recent research¹², CLES has developed a new conceptualisation of resilient local economies. The CLES resilience model illustrates the complex working of the local economic territory – characterised by the commercial, public and social economies – and the primary influences upon these. These economic spheres and external influences necessarily need to be regarded if we are to formulate appropriate solutions to the current weaknesses and identify suitable approaches to achieving better local economic development and greater economic resilience. The model looks thus:



¹² CLES (2009) 'Towards a new wave of local economic activism: The future for economic development strategies'; accessed at: http://www.cles.org.uk/information/104257/copy_of_pp26/

- **Social economy:** This relates to economic activity that is driven by social and environmental purposes, i.e. non-monetary benefits rather than economic growth per se. This activity is carried out by the Community and Voluntary Sector – a convenient catch-all term that includes social enterprises, credit unions, trading arms of charities, employee-owned businesses (co-operatives), development trusts and housing associations.
- **Public economy:** This relates to expenditure of public money for the development of infrastructure and supply of goods and services that benefit the commercial economy, local people and communities, and the environment. This includes a diversity of activity such as transport, schools, social welfare, leisure provision, health care, policing, and economic support policies (e.g. business support, employment and training programmes).
- **Commercial economy:** This relates to wealth creation through ‘private sector’ activity by businesses, and is the largest element of the model in terms of wealth generation and employment opportunities. However, this is reliant upon both the social and public economies operating effectively, delivering a favourable business environment and labour supply.

The role of CLTs in forging resilient communities

An important characteristic of the CLT model is that, whilst community based and owned, to be successful they require the cooperation of the social, public, and private sectors. CLES therefore believes that CLTs can have a significant role in contributing to the various elements of the resilience model. The way in which this can be achieved is detailed as follows:

- **Social economy:** CLTs can help to contribute to a strong social economy in a number of ways. Owned by community groups, they enable the sector to raise their skills and capacity, get their voice heard and become recognised ‘local players’. CLTs can also be a way for community groups to develop dialogue and forge partnerships with local authorities.
- **Public economy:** CLTs are an opportunity for local authorities to nurture stronger relationships with the social sector through partnership working and the transferral of community assets. Moreover, by transferring assets, local authorities are able to get better use out of underused assets. Asset transfer can also enable community organisations to support the public sector in delivering its objectives in ways that are more community-responsive and more closely related to local needs. Finally, the community benefits of the CLT model are likely to have a positive impact on the pressures experienced by local services, such as housing provision for example.
- **Private economy:** The impacts of CLTs on a healthy private economy are perhaps less obvious, but are nevertheless significant. Sites for CLTs are often acquired from the private sector, where large sites designated for business or commercial use are standing empty. This supports the sector by taking this redundant land ‘off their hands’, and through the development of housing, workspace etc., CLTs can serve to revitalise local communities, attracting and retaining businesses.

It seems convincing that CLTs can play an important role in forging resilient local communities. In a time of economic recession, when private sector developers are pulling out of projects leaving land going to waste, alternative models should be welcomed. Not only can CLTs meet local needs, particularly in terms of housing shortages; but the wider community benefits that can be gleaned from CLTs, such as active citizenship and capacity building, are important ingredients for making communities hardy to future changes in the economy. The emerging agenda around CLTs will hopefully prompt local authorities and communities to rethink the way land and housing are conceptualised, encouraging us to think of them not simply in terms of financial value, but also the value they can have for communities.

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