

## Shareholder's Update

*Over the past three years or so, Angmering Community Land Trust (ACLT) has faced an uphill struggle to bring to reality the concept of affordable homes for local people. Our struggle continues but so does our determination to succeed. It may be helpful for Shareholders to reflect on these challenges in order to better understand why it is taking so long to bring the project to fruition and dispel any misunderstanding. I have used a Question-and-Answer format to give context and clarity.*

Tony Cross  
Chair, ACLT

### **Q When was ACLT established?**

It became an entity in 2015 and was established by Angmering Parish Council (APC) whose members and officers took on the official roles of Chairman, Secretary and Treasurer in a dual capacity.

### **Q Where did the land in Mayflower Way come from?**

This was land owned by APC and was 'sold' to ACLT in 2017 for the sum of £1. It was transferred with a series of restrictive clauses that defined the future conditions of use.

### **Q When was the design agreed and planning permission applied for?**

All aspects of the design together with the application for Planning Permission to build 12 houses were agreed and submitted in 2017.

### **Q Why are things taking so long?**

At the AGM in June 2018, community members were elected to the roles of Chairman, Secretary and Treasurer replacing the APC postholders who wanted to step down.

The original project envisaged a collaboration with the Developer building houses on the North-side of Mayflower Way. The intention was to get our rental houses built by that Developer at a discount and for them in turn to off-set 7 Affordable Homes from their site to ours. This arrangement would enable them to build purely market value houses on their site. In the event, the Developer felt unable to build our houses, preferring instead to pay a 'commuted sum' towards our construction costs. The consequence of this change in direction was that the build estimates for our development were revised upwards, leaving a significant shortfall in funding. This only became evident in late 2018 when the new Board of Directors re-modelled the finance required. Since then, we have been working to mitigate some of the shortfall by minor design alterations and applications for grant funding.

Additionally, all drainage from our site is connected to the site on the North-side of Mayflower so our development could not commence until the groundworks were completed on their site and legal agreements for the connections finalised. The Collaboration Agreement was not completed until June 2019.

### **Q Why are you not building just rental properties?**

The calculation that determines whether the development is viable or not is straightforward. Once you have obtained all the grants available to support the build, the income raised through rents charged must be sufficient to pay for the resulting sum that is borrowed to finance the development.

ACLT has engaged the services of Financial Consultant experienced in community homes programmes to model the borrowing requirement for presentation to a bank. This modelling determined that an all-rental development with rents restricted to 80% of market value was not viable. We then approached APC with a

view to varying the Title Transfer Deed to allow 4 of the houses to be classed as Shared Ownership. This enables a percentage share of these 4 houses to be sold on a leasehold basis raising sufficient money to reduce the size of the bank loan required to finance the build.

**Q What stage is the Mayflower Way development?**

The land has been cleared, the foundations are in place and the drainage installed. The construction of the walls will start in due course.

**Q Why has work now stopped?**

The design plans that were submitted for planning permission in 2017 contained parking spaces for 9 cars along Mayflower Way. During the discussions with APC in 2021 on varying clauses in our Title Deed, it became apparent that the provision of these parking spaces had not been formally agreed by APC in 2017. As a consequence, we have been forced to stop the work whilst we submit an application to Arun to amend the planning permission in order to make alternative arrangements to accommodate these car parking spaces within our site.

**Q When will the ACLT development in Mayflower Way be finished?**

We are optimistic that the houses will be occupied in early 2023. It is unfortunate that the pandemic has created supply line problems with building materials which are now in short supply. This is particularly relevant to timber and bricks, the latter of which now has a 6-month lead time.

**Q How did you select a company to build the Mayflower Way development?**

The project was put out to tender in early 2021 and 5 companies with an established track record were invited to submit a tender. The Developer on the North-side of Mayflower Way was approached but did not submit a tender. ACLT retains a construction professional as an Employers Agent to oversee the development. Each bid was evaluated against the tender specification and then a recommendation of the preferred contractor made to the Board of ACLT for decision.

**Q What else has impacted upon the Mayflower Way development?**

As part of planning requirements, holes are dug in order to test drainage and determine the presence of any contaminants. The results of the test holes indicated that contamination was present in different parts of the site. However, it is not possible to determine the extent or severity of the contamination without undertaking full ground clearance. Accordingly, a provisional sum of £50,000 was estimated for these purposes. As the clearance progressed significant amounts of car parts, engine oil and other dumped materials were found buried. The final cost of decontaminating the site has exceeded £200,000.

The provision of an additional power line to Mayflower Way now appears necessary as the existing power capacity in Mayflower Way has been fully utilised by the development on the North-side. This only became known in early 2021 but should have been considered when the design was agreed in 2017. UK Power Networks have quoted £130,000 for this work.

**Q Is ACLT going to be re-formed into a different society?**

In our present form, ACLT is liable for Stamp Duty Land Tax, Corporation Tax and VAT depending on the property transaction. To counter this, we intend to convert to a Charitable Community Land Trust and in doing so will avoid these taxes. We anticipate that subject to the necessary approvals, this should take place in January 2022.

**Q What does that mean for Shareholders?**

Assuming Shareholders agree with our plans to reform into a charitable Community Land Trust, we will transfer any existing ACLT assets to the new Charitable ACLT. The original ACLT will then be dissolved and formally closed. All of our previous Shareholders will be invited to support the new Charitable ACLT.

**Q Are the ACLT Directors paid?**

The Board of ACLT are all volunteers who live in Angmering. Collectively they invest a substantial amount of their personal time in driving forward our projects. They do not receive any remuneration or attendance allowance in their role although they are entitled to travelling expenses when on official business away from Angmering. However, in practice these expenses are not claimed.

**Q Does the Board of Directors have the skills to deliver the projects?**

The Board comprises of between 5 and 12 Directors with 8 presently in post. Each year we endeavour to recruit new Directors to fill any vacancies, albeit with limited success. Presently, the Board has a wide range of skills that include Leadership, Management, Finance, Construction, Procurement, Conveyancing and Social and Private Rental experience.

In addition, we engage Consultants where there is a need for specialist advice such as Financial Modelling, Employers Agent (Construction, Design & Management), VAT, Corporation Tax, Specialist CLT Solicitors and Accountants.

**Q Who regulates ACLT?**

We are regulated by the Financial Conduct Authority to whom we submit accounts each year. We are very conscious that we are also managing public money and are scrupulous in our need to be transparent and accountable. All grant funding is monitored and returns submitted in accordance with the terms of the grant.

**Q Is Mayflower Way your only development?**

We are at an advanced stage of negotiation to buy 5 houses in Dappers Lane, Angmering. They comprise 3 rental houses and 2 Shared Ownership houses. These houses are almost complete and will be ready for occupation in January, subject to the successful conclusion of the legal process.

**Q Who will live in ACLT houses?**

The ACLT Allocations Scheme is published on our website and is focussed on prioritising the housing needs of those living or working in the Parish of Angmering - the CLT's defined area of benefit. Where no eligible applicants from Angmering come forward, then the area of benefit is widened to include the surrounding Parishes.

In respect of the properties provisionally allocated in Dappers Lane, 4 out of the 5 properties are allocated to people who live or work in Angmering with the remaining occupant from Worthing who also qualifies by virtue of links to surrounding Parishes and housing need.