



## ACLT - Annual Report 2022

### INTRODUCTION

What a difference a year makes!

Having survived the effects of the Covid pandemic which saw housebuilding services generally take a knock, we then found our supply chain costs and materials (timber, brick etc) and their lead times spiral into the distance. Momentarily things began to settle down until, almost unbelievably, we now are in a cost-of-living crisis with Inflation, Interest rates and energy prices heading North against a backdrop of a war in the Ukraine.

Mayflower Way, our major housebuilding project, is proving even more challenging than last year but your Board remains undaunted as we endeavour to navigate through another storm.

**Tony Cross**

**Chairman, ACLT**

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### Summary Reports

#### **ACLT – Structural Changes**

We have been working with specialist solicitors in order to change our status and structure to something much more tax efficient. Unfortunately, in our original form, we were liable for Corporation Tax, VAT, Stamp Duty and Income Tax. The change process we had to undergo required the establishment of a new Community Benefit Society and the closure of the old company, registration number 7201. Thereafter, the assets of 7201 were transferred to the new society. That process is all but complete with delays at HM Land Registry preventing completion. Our new Society Number 8781 is now recognised as 'tax exempt' and regarded as a charitable company by HM Revenue & Customs.

#### **Governance**

ACLT still functions under the rules and regulations of the Financial Conduct Authority and is not connected to the Charity Commission. In addition, it has adopted a range of good governance policies including Equality & Diversity, Safeguarding, Anti-Bribery, Money Laundering & Terrorism, GDPR, Conflict of Interests, Housing Allocation and Anti-Social Behaviour.

Copies of all Board meeting Minutes, Reports, Newsletters and Governance Policies are published on our website.

**Mayflower Way** – the building of a mixture of twelve 1,2 and 3-bedroom houses.

The Covenants affecting our land at Mayflower Way have now been rectified and finalised in a Deed of Variation. In short, Angmering Parish Council have agreed to our request to change 4 rental houses to Shared Ownership as originally an all-rental development was specified in the land transfer documentation. This was essential to ensure viability of the project as the rental income determines how much you can borrow to fund the development. Given that we want to keep rents as affordable as possible, there is therefore a balance to be struck. The ability to sell 50% shares in four houses will help us once interest rates have settled somewhat. We have also made some minor changes in the Covenant to bring together the wording in that document with the Planning Requirements.



Our preferred Contractor chosen from the tenders received is Sunninghill Construction Company with whom a number of meetings have taken place to formalise the works required. This then allowed work to commence on a Pre-Contract Services Agreement before the October 2021 planning deadline and also to discharge the pre-commencement conditions of our planning application. Additionally, changes to aspects of the design were made under Section 73 of the Town & Country Planning Act. These were necessary to revise the car parking layout and bike sheds and also to make some modifications to the design in order to reduce costs.

The initial construction works for earth movements, excavations and decontamination was costed at £114,762 and within this sum of £53,000 was allowed for decontamination. Given the history of the site, this was considered a reasonable sum as the bore holes had not revealed any major sources of contamination. However, decontamination was to prove a significant and extensive problem with final clearance costs soaring to £251,000 when all manner of buried items including car parts, tyres etc. were discovered. That together with the need to install a new power supply in Mayflower Way at a cost of £130,000 has significantly skewed the budget for finishing the development.

Financing the next stage of the development is proving challenging. Build costs per square metre have risen over the period from about £2100 to in excess of £3100 per square metre. That together with the rise in interest rates continues to frustrate our progress. On the plus side, the construction is now at foundation level where it is paused whilst we continue to explore different funding options.

**Swallows Gate** – the purchase of 5 new high-specification houses with 3 on an affordable rent basis and 2 offered on a Shared Ownership basis. We are pleased to report that we finally took possession of these 5 houses in April 2022. Working with Arun District Council, and in accordance with our Housing Allocation Policy, we now have tenants in each of the rental houses, all of whom have connections to Angmering. Also, the 50% shares in both Shared Ownership houses have been sold to people who already either work or live in Angmering. Swallows Gate is now operating at a small profit.

**Sponsorship**

ACLT is grateful to **Clear Computing Ltd** from Littlehampton who sponsor our website and email server.

**New Developments**

ACLT continues to look for opportunities to acquire affordable houses in Angmering for our community. As such we have written to the current housebuilders of new developments in Angmering advising of our interest in acquiring affordable properties.

**Board Members & Tenure 2022**

Name	Tenure	Status	Notes
Angela Colliss	2023	Resigned 2022	
Kristina Yates	2024	Elected	Board Secretary
Steven Mountain	2024	Elected	
Robin McDonald	2024	Elected	Treasurer
Tony Cross	2024	Elected	Chairman
Gareth Cornford	2022	Standing for Re-Election	
Jan Welch	2023	Elected	
Arthur Trehwella	2023	Elected	

The maximum number of Trustees on the ACLT Board is 12 and so we currently have 5 vacancies. If you feel that you have experience or skills which will benefit the Trust, please contact the Board Secretary.