This case study examines how Bristol Community Land Trust got off the ground and built its first successful project.

**Project name:** 325 Fishponds Road
**Location:** Fishponds Rd, Bristol
**Local Authority:** Bristol City Council
**Organisations involved:** Bristol Community Land Trust, United Communities Housing Association

### The opportunity

Community Land Trusts are local organisations set up to develop and manage homes, community enterprises and workspaces. Responding to citywide housing challenges, Bristol Community Land Trust (the Trust) formed in 2011 to open up opportunities for acquiring and developing land for its members. At its launch event, 250 people attended and 150 joined as members.

Each member made a payment of £1, which entitled them to a single vote in the company. The £1 is the limit of their personal liability. The management board is made up of local housing activists, professional consultants, local councillors, future residents and housing association officers elected by the members.

325 Fishponds Road was the Trust’s pilot project, consisting of 12 homes. Bristol City Council allocated £300k to help fund the project, and further support to help fund a development officer for an initial 18 months. In July 2012 the Trust applied for planning permission, and the project broke ground in summer 2015.

### Top tips

- Site disposal at an undervalue can be justified. Disposal of the first site at £1 was critical for the Trust to get the project off the ground.
- Ensure survey information is up to date. Delays to the development programme can mean that data can become out of date and can lead to further delays.
- Watch out for inflation. Delays can lead to significantly increased construction cost from inflation.
- Mistakes can be incredibly costly. Overlooking planning issues, such as the £101k cost to unlock the access to the site, damaged the financial health of the project.
- Sweat equity can benefit everyone. It helps people develop skills, increases a sense of ownership and saves money to buy and rent homes. It also brings wellbeing value to those involved.
- Look for innovation in financing for the long term. For example, the Passivhaus model, a high specification energy efficiency standard to create buildings that require little energy to heat, can reduce heating costs for more sustainable tenancies.
What they did

The Trust found a rundown school building as a potential development site. The Council’s help was needed to unlock the site by allowing access through adjoining land owned by the Council and used for a depot and car park.

The open market valuation of the site once planning permission had been obtained was £286k, however the site was sold to the Trust for £1 on the condition that it would refund the full market value if the land was ever sold for purposes other than housing. This would enable the Trust to use the asset value of the land to attract finance and produce other homes on additional sites without further financial aid.

Part of the site would consist of ‘self-finish’ homes – where the future resident is provided with a shell to complete. The Trust produced information factsheets to help interested members understand the proposal and the self-finish process, and ran some public events to ensure people had an opportunity to engage and comment.

By becoming a registered housing provider, the Trust could access funding from the Homes and Communities Agency. A further loan was made from the Community Land & Finance Community Interest Company for the installation of solar panels and the provision of rented and shared ownership housing.

An allocation policy was devised which involved assessing the housing need and eligibility of the Trust’s members. All applicants must firstly be members of the Community Land Trust. If applicants wish to rent, they must also sign up to Bristol City Council’s housing register by joining Home Choice Bristol and then they will be placed in a banding determined by their level of housing need. The Council has nomination rights on three of the five affordably rented properties. These applications come through Home Choice Bristol.

Challenges

– Cash flow: The project neared bankruptcy due to the unforeseen costs of providing an access road. The Trust had to fund replacement of the toilet block on the depot site, and provide replacements for original car parking spaces, adding £101k to the overall costs.
– Communications with the Council: Although supportive, Bristol City Council’s different departments did not always speak with one voice. For example, the Trust was granted funding of £300k but had to pay back £100k in design, legal and development fees and for the car park land to allow access.
– The finance model: As the self-finish model is a relatively new concept, warranty providers needed reassurance about completion of the homes. This in turn affects the point at which sales can go through (and therefore income can come in to the project).
– Staffing: Currently, staff capacity is a major challenge. There is only enough revenue for one project manager.
Management and viability

The Trust recruited a self-build manager with a background in construction to supervise the self-finishers. The manager recorded the hours each household put in, which was used to calculate the value of ‘sweat equity’ on the project. The Trust generated around £790k through equity sales and a further £50k through sweat equity across the scheme. It also expects to generate income from the solar panel installation using government incentives for generating renewable energy and sales to residents.

Solutions and lessons learned

- Housing associations can play an important enabling role. United Communities Housing Association has helped the Trust by supporting its development officers, facilitating access to land and offering advice.
- The Trust can bring in investment from sources of finance and funding not usually accessible to a council or commercial developer.
- The relationship with the contractors is critical. There will be many unforeseen challenges during the construction stages, so good working relationships are essential to keep the project moving forward.
- Warranty providers should be engaged during the design phase to give them confidence on the self-build model and reduce the risk to cash flow.