

Appendix E

East London CLT – Frequently Asked Questions

(Adapted from www.eastlondonclt.co.uk)

The East London Community Land Trust (ELCLT) is a not-for-profit community organisation that specialises in providing Community Land Trust (CLT) housing across East London. It was born out of community organising, and still stays true to those principles, having been formed out of a campaign led by London CITIZENS. ELCLT is, however, an independent organisation with its own membership, governance and Board of Trustees.

In their founding year, they made great progress in their work to establish the UK's first ever urban CLT on the former site of St. Clement's Hospital in Mile End, and for a CLT to be integrated into future plans for the Olympic Park.

FAQ

Are they a business or a developer or a charity?

The East London Community Land Trust (ELCLT) is a not-for-profit Industrial and Provident Society (IPS). It is governed solely by its members, and anyone who lives and works in east London can join. Each year they elect from amongst their number our own Board of Trustees.

An industrial and provident society is an organisation conducting an industry, business or trade, either as a co-operative or for the benefit of the community, and is registered under the Industrial and Provident Societies Act 1965.

Their constitution establishes ELCLT as a 'Benefit of the Community' IPS. Community Benefit Societies ("BenComs") are incorporated industrial and provident societies that conduct business for the benefit of their community. Profits are not distributed among members, or external shareholders, but returned to the community.

Where does their money come from?

Donations and anyone who lives or works in the East End who buys a share.

Unlike a company limited by guarantee, an IPS generally has a share capital. However, in a not-for-profit IPS like ours, shares are not made up of equity shares which appreciate or fall in value with the success of the enterprise. Rather they are par value shares, which can only be redeemed at face value. The profits and losses of the company are therefore the common property of our local members. Shares in the East London Community Land Trust cost just £1, and to ensure parity and fairness amongst members voting is on a "one member one vote" basis, not weighted according to the value of an individual's shares.

Also, the East London Community Land Trust has been the recipient of small individual donations, and funding from the Tudor Trust and the Oak Foundation, which are charitable foundations.

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How do they represent the local community?

By bringing together representatives from their local schools and mosques and churches and residents' associations and every type of social institution in east London. Anyone who lives or works here can become a member and influence what they do. They also run public planning sessions and events for non-members.

No organisation can ever claim to totally represent 'the community'. In a place as diverse and as busy as east London, you are unlikely to ever get 100% consensus on anything. But what we can they do is to make membership open and affordable to anyone who wishes to join; they put on public planning events for local residents even if they are not members so they can all feed in ideas to their proposals; and they actively build relationships with local civil society institutions that represent large communities (such as schools and churches and unions) within the areas in which they work.

The CLT operates within the physical boundaries of a targeted locality. It is guided by – and accountable to – the people who call this locale their home. Any adult who resides on the CLT's land and any adult who resides within the area deemed by the CLT to be its "community" can become a voting member of the CLT.

They currently have nearly 1,000 individual local members in the East End, and work closely with representatives from Central Foundation Girls' School, Bow Boys School, Mile End Residents' Association, Epainos Ministries on Litchfield Road, Queen Mary University of London, Tower Hamlets UNISON, the East London Mosque, Mile End Cemetery Park and many others.

Are they a front to a commercial developer?

No. They are a community organisation made up of local residents. And they are the only independent CLT in East London.

The East London Community Land Trust is a totally independent organisation, driven and governed solely by its members who live and work in East London. They were established without any input by any developer or housing association.

With each project they undertake, their members and their Board debate and then elect any partnerships they wish to enter into. However, these are open commercial arrangements – decided upon through a clear and transparent tender process – and based upon the Trust and local people's interests above anything else. Their commercial partners differ according to our needs for each project.

Who will own the CLT?

Members of the local community will own it forever.

The CLT does not disappear once a building is sold. As owner of the underlying land and as owner of an option to re-purchase any buildings located on its land, the local community through the CLT has an abiding interest in what happens to the structures and to the people who occupy them. The ground lease requires owner-occupancy and responsible use of the premises.

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How can they promise permanently affordable homes?

Unlike other 'shared equity' or 'part-rent, part-buy' schemes they promise to build permanently affordable housing.

The CLT retains an option to repurchase any structures located upon its land, should their owners ever choose to sell. The resale price is set by a formula contained in the ground lease that is designed to give present homeowners a fair return on their investment, while giving future homebuyers fair access to housing at an affordable price. By design and by intent, the CLT is committed to preserving the affordability of housing (and other structures) – one owner after another, one generation after another, in perpetuity.

