

## Code of Good Practice for Community Land Trusts

### Preamble

1. The purpose of this Code is to enhance the work and credibility of CLTs.
2. The Code has been drafted in the expectation that it will be updated in a year's time.
3. One of the underlying drivers of CLTs is that local people have an ethos of public service and the skills to create solutions to local problems. CLTs are fundamentally agents of local communities and are not directly accountable to other outside organisations. The Code does not therefore follow the route of compliance required by government of organisations receiving significant sums of central government money. Instead it sets out the main standards that people in a CLT's community and others might expect. It is then for CLTs to govern themselves and to introduce other techniques, such as external assessment and audit, if they so wish. As the sponsor of this Code, the National CLT Network will intervene as a last resort where a CLT was infringing the Code. It could also decide to publish the fact that a CLT was not meeting the relevant standard of good practice in the Code.

## Code of Good Practice for Community Land Trusts

### 1. The Community Land Trust is clear about the purpose of its work.

The CLT has a definition of the community it aims to serve<sup>1</sup> and publicises it widely.

The CLT is clear that it provides its land, buildings, money and other resources for the benefit of its community. It is also clear that it provides these benefits in perpetuity. The CLT publicises these objectives widely.

The CLT builds and holds its asset base, to enhance a sense of solidarity within its community, and to undertake further projects in future if it so wishes.

The CLT works in the interest of everyone in its community, irrespective of the backgrounds of individuals and whether or not they are members of the CLT<sup>2</sup>.

As well as promoting specific projects involving asset ownership, the CLT aims more generally to maximise the skills, social linkages and economic capacity of people in its community.

The CLT ensures that any profits are reinvested to finance further work that meets its objects.

### 2. The community and membership of the CLT

The CLT encourages all members of its community to become members of the CLT and to play an active part in its work.

The CLT reviews its membership once a year and regularly encourages people in the community to become members.

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<sup>1</sup> Some communities may be defined geographically and others may be defined as communities of interest.

<sup>2</sup> Subject to the facts that it will not always be possible to reconcile differing views in the community, or to work with those whose interests do not align with the ethos or objectives of the CLT.

The CLT publishes an annual report and distributes it to people in its community.

The CLT welcomes suggestions for action from people in the community throughout the year and provides feedback.

Once it owns property, the CLT holds a meeting every year and invites all individuals or households in the community to that meeting. The CLT encourages people at the meeting to highlight emerging local needs and to suggest solutions to these needs that the CLT might pursue. The CLT also takes account of the views of people unable to attend the meeting. Notes of such meetings are publicised.

### **3. The work of the CLT**

The CLT assesses the needs of its community<sup>3</sup> and develops proposals for projects that provide solutions to these needs.

The CLT is open to providing land and buildings for a wide spectrum of uses and services in its community<sup>4</sup>.

The CLT pursues projects that have widespread support in the community<sup>5</sup>.

The CLT achieves a balance between standards and costs. It undertakes projects to good standards of design and specification while ensuring its projects are completed at reasonable cost and represent good value for money.

The CLT ensures that access for members of the community to its projects is fair and that any selection processes are open and transparent.

The CLT operates an active policy on equality of opportunity and diversity, and another on environmental sustainability.

The CLT works collaboratively with other CLTs.

### **4. Money and resources**

The CLT seeks to engage a wide spectrum of people in its communities to provide funds for its schemes, and other resources such as professional skills, labour, land and buildings.

The CLT raises loans and grants on terms that enable it to give priority to meeting the interests of its local community<sup>6</sup>.

The CLT has a robust asset lock in its governing document and its profits are not distributed as dividends or other payments to its shareholders<sup>7</sup>.

The CLT produces annual accounts and makes them widely available.

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<sup>3</sup> Where possible, the CLT collects detailed evidence on the needs it aims to meet.

<sup>4</sup> In many cases, it will only be practicable for CLTs to promote projects that meet one or two needs at a time, but it is important that CLTs remain open to meeting a variety of needs in their projects over the years.

<sup>5</sup> Evidence of widespread support may follow community surveys or the production of a local or parish plan.

<sup>6</sup> For example, the terms of funding for housing schemes should enable the CLT to give first priority in allocating homes to those in its community, ahead of nominees of housing authorities.

<sup>7</sup> CLTs may however pay money to shareholders in return for benefits CLTs receive, such as interest on money lent to CLTs by shareholders or rents on land leased to CLTs by shareholders.

## **5. Management committee**

If members of the CLT decide to set up a management committee, its committee members work for public rather than personal benefit.

The CLT seeks to ensure that members of its committee are drawn from a wide cross section of its community and that no individual or group unduly influences the committee.

Management committee meetings are normally open to the public.

## **6. Reputation, behaviour and probity**

The CLT seeks to enhance the reputation of all CLTs and does nothing to harm it.

The CLT accounts for its activities in an open manner and provides members of the local community with reasonable access to information.

The CLT avoids any suggestion of impropriety<sup>8</sup>. Its committee members act solely in a voluntary capacity in the best interest of the CLT and receive no payment except the reimbursement of reasonable expenses in line with their rules and recognised good practice in the CLT sector.

The CLT maintains a register of members' interests. Where there is an actual or possible conflict of interest, the CLT decides whether this makes committee membership untenable for the individual concerned, whether the individual shall have no involvement in the matter or whether the matter can be managed by ensuring that his/her interests are declared and registered.

The CLT is aware that a conflict of interest arises if a committee member, his/her family members or close associates are connected with any organisation or person that can gain financially from a contract awarded by the CLT. The same applies to services and benefits in kind provided by the CLT<sup>9</sup>. The CLT's committee members only receive benefits in kind from the CLT's work that are available to all members of the community<sup>10</sup>.

The CLT has a robust system for dealing with complaints that is publicly available.

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<sup>8</sup> The CLT is aware that matters such as conflicts of interest and the acceptance of gifts and hospitality are particularly sensitive.

<sup>9</sup> An example of such benefit in kind is preferential allocation for committee members, their families and associates to sub-market housing provided by the CLT.

<sup>10</sup> Examples of such benefits are the services offered by a community shop or a sports field.