



**Good Practice**

**Objective**

<p><b>Cornwall Community Land Trust Project</b></p>	<p>To provide funding to enable the Community Land Trust to become more self sustaining, and to bridge the funding gap at planning and initiation stages.</p>
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**Detail**

□ Cornwall originally provided a development loan fund of £1 million to the umbrella Cornwall Community Land Trust. To become more self sustaining the CLT required a fund to initiate schemes and develop the planning stages. Mainstream financial institutions limit funding for this type of activity to 50%-70%. A development fund has been provided by the Council to bridge this gap. The fund is a revolving development fund replenished as each scheme is completed, not a grant. Use of the loan facility has recently been extended to cover other local Community Land Trusts within Cornwall provided that the Council is satisfied that they are formally constituted and either affiliated to the Cornwall Community Land Trust and/or members of the National Community Land Trust Network. The £1million facility has been made available for a term of 5 years, to a maximum amount outstanding at any one time. Approved CLTs are able to draw down funds against the facility in tranches, each of which will be subject to a fixed rate of interest agreed with the Council’s Director of Resources. The interest rate needs to reflect the Council’s pooled borrowing rate which is currently running at 4.5%. The release of each tranche of funds is subject to the provision of satisfactory security by the CLT. This will normally be in the form of a first charge against the assets acquired or developed by the CLT for each project financed using the Council’s loan facility. The release of funds is also subject to appropriate checking of the details of the individual scheme concerned.

Outcomes

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Further information regarding Community Land Trusts can be found via the following link: Community Land Trusts  
<http://www.communitylandtrusts.org.uk/home>

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Rural Affordable Housing  
Project

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