

## APPROVAL TO BORROW TO SUPPORT COMMUNITY LAND TRUSTS (CLT)

### BACKGROUND

#### Community Land Trusts (CLTs) – Revolving Loan Fund £600K

A proposal has been submitted for a revolving loan fund for community land trusts (CLTs). This CLT funding scheme will require member approval and will be reviewed in detail at a future date.

Any subsequent set up of a revolving loan fund for CLTs is subject to approval of the Community & Resources (C&R) committee.

Key points of the proposed CLTs are as follows:

- Aim:
  - Support affordable housing in the wider Torridge area.
- Cost:
  - The £600K loan fund can be borrowed from the PWLB
  - The interest is charged to the CLTs on any loans, which will cover the interest due to the PWLB:
- Key Points:
  - £600K Revolving Loan Fund for CLTs to borrow from
  - Loans from £75K to £150K
  - Loans are secured with a legal charge against the land/property
  - Interest charged on the loans at the European Reference Rate in order to be state aid compliant
- Similar schemes from other councils:
  - Cornwall support CLTs through loans
  - East Devon support the “Beer Community Land Trust” (and borrow the funds from the PWLB)

### Treasury Impact

In February 2019 Full Council approved borrowing of up to £600K from the PWLB to finance the revolving loan fund for CLTs (Subsequent approval by C&R will be required before any loans to CLTs can go ahead).

### Capital Programme

As these loans are capital in nature, the revolving loan fund needs to be added to the capital programme.