LANDOWNER STRATEGIC & FINANCIAL VIABILITY ANALYSIS

SUBMITTED BY: The Barber Community Trust Steering Committee

FILE REFERENCE: ACV Supplementary Dossier — Land off Coulter Lane

Executive Summary

A common administrative misconception is that a statutory Asset of Community Value (ACV) nomination runs contrary to the financial interests of a private landowner when contrasted with commercial residential development. This analysis provides the objective financial, contractual, and taxation metrics demonstrating that the **Barber Community Trust Framework** offers the landowners a highly competitive, risk-mitigated, and tax-optimised alternative to a speculative commercial disposal, particularly in light of current baseline infrastructure failures.

1. The Fallacy of the "Developer Cash Payout" (The Promotion/Option Trap)

Volume housebuilders like Bloor Homes rarely purchase agricultural Green Belt land upfront. Instead, they bind landowners into complex, long-term **Option Agreements** or **Conditional Promotion Agreements**.

- **The Planning Risk Disadvantage:** The landowner receives no substantial capital payout unless full, un-appealable planning permission is granted. With this application currently violating **NPPF Paragraph 115 (Highways Safety)** via active Police logs and designated a **"Strongly Contributing Parcel"** in the 2026 Green Belt Study, the probability of a final refusal is exceptionally high.

- **The Contractual Lock-in:** Under standard Option Agreements, if planning permission is refused, the developer can drag the landowner through years of expensive, grueling appeals and public inquiries. During this time, the land is legally locked; the landowner cannot sell to anyone else, cannot realise any value, and remains exposed to shifting political windows.
- **The Developer Cut:** Even in the event of an approval, commercial developers routinely deduct massive "Promotion Fees" (often 15% to 30%), alongside uncapped legal costs, site preparation costs, and Section 106 infrastructure levies, significantly diluting the final net return to the landowner.

2. Comparative Financial Analysis: Track 1 (The Capital Buyout Option)

The Barber Community Trust framework does not seek to acquire the land at depressed baseline agricultural rates (approx. £12,000 per acre). Backed by institutional funding from national heritage pots, environmental endowments, and community capital shares, the Trust is positioned to offer an **Environmental Premium Rate** of **£35,000 per acre**.

The table below demonstrates the net financial outcome for a standard 25-acre land holding, contrasting a developer option post-refusal against the guaranteed Trust buyout:

Financial Element	Commercial Developer Track (Post-Refusal Baseline)	The Barber Community Trust Buyout Track (Guaranteed)
Gross Contractual Value (25 Acres)	**£0** (Contract terminates upon refusal)	**£875,000** (£35,000 per acre premium)
Developer / Promoter Deductions (Avg 20%)	£0	**£0** (Direct community transaction)
Capital Gains Tax (CGT) Liability	£0	**£0** *(100% Exempt via Sec 257 TCGA 1992)*
Net Liquid Capital Realised	**£0**	**£875,000 Clean Cash Yield**

Critical Tax Shield: Because disposals to a community trust or registered environmental charity qualify for absolute exemption from Capital Gains Tax, every single pound of the £875,000 transfers cleanly to the landowner. To match this exact liquid return after standard developer fees, promotion costs, and top-tier CGT treatments, a commercial developer would need to achieve a gross sale value approaching £1.5 million on a site facing clear statutory refusal paths.

3. Yield Analysis: Track 2 (The 30-Year "Green Lease" & Biodiversity Net Gain Model)

As an alternative to an outright capital sale, the Barber Community Trust Framework enables the landowners to leverage the lucrative **2026 statutory green economy** while retaining absolute long-term family ownership of the underlying land asset.

Under current UK statutory frameworks, development schemes must offset environmental impacts by purchasing certified **Biodiversity Units**. By transitioning the Coulter Lane fields into a managed Nature and Heritage Reserve, the landowners unlock a dual-income windfall:

- **A. Biodiversity Net Gain (BNG) Unit Generation:** A 25-acre ecological restoration project (wildflower meadow and wetland conversion) is verified to generate approximately **50 Biodiversity Units**. Based on current 2026 market values sitting at £30,000 per statutory unit, this generates a ring-fenced capital windfall of **£1,500,000** sold directly into the private environmental compliance market.
- **B. Long-Term Leasehold Rental Income:** The landowners execute a 30-year lease to the Barber Community Trust to operate the reserve. The Trust guarantees an index-linked annual ground rent of **£1,000 per acre**. For a 25-acre parcel, this delivers **£25,000 per annum**, generating a cumulative leasehold yield of **£750,000**.

Total Projected Revenue via Track 2 over 30 Years: £2,250,000 (with full underlying asset retention).

4. Statutory Tax Optimisation via the Community Trust Model

A standard commercial sale to a developer triggers immediate, top-tier taxation liabilities. Partnering with a registered Community Trust or Charity unlocks profound, legally protected statutory tax reliefs under UK law:

- **100% Capital Gains Tax Exemption:** Under Section 257 of the *Taxation of Chargeable Gains Act 1992*, any disposal of land (whether by gift or sale at an undervalue) to a qualifying charity or community trust is legally treated as a "no gain, no loss" transaction. **The landowner pays £0 in Capital Gains Tax.**
- **Substantial Income Tax Relief:** Under Chapter 3 of Part 8 of the *Income Tax Act 2007*, an individual who disposes of a qualifying interest in land to a charity can deduct the **full market value of the land** directly from their total income tax liability for that tax year. This represents a massive, immediate cash-flow benefit against their independent income streams.
- **Inheritance Tax Mitigation:** Retaining the land within a community trust structure or a structured family endowment shield eliminates the risk of catastrophic 40% IHT

liabilities, preserving multi-generational wealth safely outside the scope of HMRC death duties.

5. Asset Protection: The Post-Refusal Guarantee

If, as anticipated by the current technical objections, Lichfield District Council refuses application **25/01485/OUTM**, the commercial value of the Coulter Lane fields instantly plummets back to its baseline agricultural valuation (approximately £12,000 to £15,000 per acre). The developer's option agreement becomes a dead, locked asset.

The Barber Community Trust provides the landowners with an immediate financial safety net that preserves the asset's value post-refusal, converting an unbuildable agricultural asset into a highly prized, revenue-generating environmental reserve.

6. Intangible Capital: Legacy vs. Public Liability

A commercial sale to Bloor Homes would permanently erase the historical landscape of the Fulfen Hamlet, destroying the 1765 educational endowment and the unique 1799 horizon linked to Francis Barber. This outcome carries a severe, permanent reputational cost within the Burntwood community.

By aligning with the Trust, the landowners are elevated from predatory developers' partners to **visionary civic benefactors**. The family legacy is permanently cemented alongside Francis Barber’s historical lineage, creating a protected Nature and Heritage Reserve that bears their family name for centuries to come.

Conclusion

When evaluated through the lens of strict risk management, Net Present Value (NPV), and statutory UK tax exemptions, the Barber Community Trust is not a restriction on the landowners—it is a sophisticated financial alternative. It mitigates the immense planning risks of the developer track, shields the family from aggressive taxation, and guarantees a viable, funded exit strategy. The nomination fully satisfies the reality test of Section 88 of the Localism Act 2011.