



BUSINESS PLAN

2014 - 2017

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“Sustainable development involves putting in place structures, systems and processes that are right for the present day and but also prepare us for the future... I want to reaffirm the importance that our approach to sustainable development has for the Welsh Government.”

Jeff Cuthbert, Minister for Communities
Welsh Government

EXECUTIVE SUMMARY

Home Presteigne is a cooperative organisation for housing constituted under the Industrial and Provident Societies Act. We met for the first time in September 2012 to discuss acquiring land and building homes for our area. We wanted to:

- ▶ Address the need for affordable housing provision in the Presteigne and Radnorshire area, putting people and place first.
- ▶ Build with improved energy performance, so that the local community may be more resilient, especially in the face of rising energy costs.
- ▶ Make it possible to hold developed land “in perpetuity” for the community to keep prices affordable based on local wage levels.

Home Presteigne was registered in 2013 as a cooperative. Membership is open to all through the purchase of simple £1 shares - with a minimum of £10 and maximum of £20000 per member - based on the cooperative principle of one vote per shareholder.

This 3 year Business Plan lays out the aim to develop sustainable and affordable housing, providing homes for people of the locality on lower incomes and vulnerable to being displaced or priced out of the area. We have structured Home Presteigne in a way that will allow the cooperative members to hold developed land “in perpetuity” for the community, with a covenant that controls the rent and re-sale value of the buildings upon it. An important task for 2014 will be our public consultation and launch.

To prepare for the next 3 years we have laid out a broader business strategy for Home Presteigne. This includes a carefully planned legal structure and financial management system that will allow us to work with and represent local people, purchase land for the community, build and refurbish houses and create a resilient organisational structure for affordable, sustainable housing.

We hope that you will find the business plan relevant, timely and full of good sense, and that you will want to support the aims of Home Presteigne.

The Board of Directors

VISION AND PURPOSE

“Provision of social housing in rural areas may be necessary but it is not sufficient in itself to sustain mixed communities. Many of the rural areas that have more social housing also tend to have problems linked with poverty and unemployment”

Joseph Rowntree Foundation

AFFORDABLE HOUSING

The Presteigne area is attractive and developers can command relatively high prices for property. However, many Radnorshire wages are at or near minimum levels. In order for the town to maintain a balanced population we need a good way to create and maintain affordable housing. Home Presteigne plans an initial build of 6-10 affordable units, with the intention to hold the land “in perpetuity” for the community, so that future rental and sales of these properties may remain affordable and locally held.

COMMUNITY FIRST

It’s important to Home Presteigne that community comes first. We do need affordable housing, but not without meaningful local consultation and engagement. People living and working here want to be confident that new builds or refurbishments will benefit and complement the existing community. Our Cooperative approach will allow all kinds of local people to get involved in housing, with a proper say and an element of ownership from the start.

LOCAL RESOURCES AND LOCAL JOBS

There is a powerful relationship between housing, wealth and jobs. Home Presteigne will support local suppliers, component manufacturers and craftsmen wherever possible and also look to provide a percentage of live-work units for local entrepreneurs. We are convinced that new builds and refurbishments could create more local employment, apprenticeships and long-term community benefits.

ENERGY PERFORMANCE

Home Presteigne aims to commission housing that is environmentally sustainable, with excellent energy performance, and a low environmental footprint. Reducing energy consumption is a robust long-term policy for affordable living, as well as cutting carbon and minimising waste.

“We don’t just want a community of retired homeowners - nowhere for families or young people to live”

Presteigne and Norton Housing Survey 2011

MENU OF OPTIONS

We aim to provide properties with a mixture of affordable renting, shared equity sale and outright sale with covenant.

- ▲ Single studios: one big room with kitchenette and bathroom (for people of all ages)
- ▲ 1 or 2 bed homes
- ▲ Small family 3 bed homes
- ▲ 4 bedroom homes for larger families or extended family occupancy
- ▲ Ground floor flats for older and disabled people
- ▲ Live-work properties
- ▲ Shared facilities
- ▲ Community or social spaces

We will consult with the community and identify the needs of the residents, and prospective residents at an early stage of development.

We are aiming for a mix of housing that is attractive to a diversity of people, but that is simple and affordable. We are interested in creative solutions to modern problems, for example child-friendly streets, cycle paths, shared facilities and market gardens. We are also exploring innovative business ideas such as co-housing, community share offers, offering to build homes for tenant farmers in exchange for land and shared wealth projects.

LEGAL STRUCTURE

Home Presteigne is a cooperative organisation (constituted under the Industrial and Provident Society Act) with the legal capacity to acquire, hold, develop and lease permanently affordable housing. It has an asset lock and is registered under the Financial Conduct Authority.

Equity Shares can be purchased at £1 per share with a minimum of 10 and a maximum of 20,000 shares in order to become a member. Members can also loan the Cooper money via a community bank/loan agreement.

Any individual aged 16 or over, or any organisation that supports the objects of the cooperative and agrees to abide by its rules may apply to become a shareholder and member of Home Presteigne.

Every member has the right to one vote at the Annual General Meeting of Home Presteigne and in the election of the Board. This is operated under the cooperative procedure of one vote per member, irrespective of the number of shares held.

A Board of Directors will be responsible for the Governance of Home Presteigne. Other members may be co-opted onto the Board. The Board will be local residents, people with particular skills that are required, and representatives of local community groups.

Further details are in the constitution.

“We will only survive and thrive if we become enchanted by positive change locally, where we experience the world”

Andrew Simms
New Economics Foundation

“Something is trying to be born in the world - a new way of creating wealth and value that does not create inequality and environmental damage”

Liam Black
Social Enterprise Network

FINANCIAL MATTERS

In preparing Home Presteigne’s business plan much work has gone into the financial planning. We have acquired a financial modelling tool that allows us to analyse any particular project to predict, as closely as we can, the financial outcomes. This means we can chart a financial map for each build project before we start. We can also use the tool to show how we will repay loans and become financially sustainable in the long term.

We aim to build 6 – 10 homes within the first 3 years, to be a mixture of rented, shared equity and full sales. Our current financial model is available on request.

At this early stage, we have received funding from:

- ▶ CLT network for visits to other projects. £700
- ▶ CLT Technical Assistance Fund for setting up a legal structure and governance rules. £3000
- ▶ Local Fundraising. £365
- ▶ Presteigne and Norton Town Council. £500
- ▶ Awards For All Wales for community consultation. £5000

The next step will be to acquire land. Land for affordable and social housing tends to go through councils and it's difficult to get a look in when the big development companies are already well known. However our strong community focus may help persuade local landowners to sell land to our project, including cheaper "rural exception sites" suitable for small schemes.

FUNDING A BUILD

Even though there is definitely a need for affordable housing, raising finances is challenging. We are looking at a number of options, but we expect the larger sums of money for the first build to come from business loans. We have already discussed options with The Robert Owens Community Banking scheme and we are exploring a number of different opportunities to raise further money by means of grants, local benefactors, joint ventures and ethical loans from Triodos and/or The Cooperative Bank.

***"Keep your eyes on the dull stuff –
buying or ordering, the systems and
processes, the accounts"***

Deborah Meaden
Dragon's Den

WORKING WITH OTHERS

We are currently working with:

CLT

Advice and support during formation of Home Presteigne; CLT network grants plus on going advice and exchange of ideas.

Presteigne & Norton Town Council

The Town Council unanimously endorsed our formation and we have two Town Councillors on our steering group.

The New Welsh House Project

Who are developing ideas for providing sustainable, high quality and well designed homes and live work units and applying ideas based on the Welsh House model.

Cardiff University

Dr Simon Tucker of Cardiff University (previously Head of Environmental Architecture at the Centre for Alternative Technology) gives us invaluable advice.

Cwm Harry Land Trust

We meet often with Adam Kennerley (Chief Executive) and Paul Taylor (Housing specialist) and we continue to explore ways of working together.

Wales Cooperative Centre

We have had a facilitated session with Nathan Brown from Co-operantics on our action plans and on legal structures. We have on going contact with David Palmer, manager of the CooperativeHousing Project.

***“In the long history of humankind
(and animal kind, too) those who
learned to collaborate and improvise
most effectively have prevailed”***

Charles Darwin

Transition Presteigne

A representative is invited to all our steering group meetings to ensure that we work as closely as possible with them.

Shropshire Housing Group

We are in contact with Paul Sutton (Executive Director) who has visited the group to inform us about the community housing projects in Shropshire and Herefordshire.

Powys CC

We have worked closely with Henk Kuipers (Rural enabler for Powys County Council) who continues to help us with land opportunities, and other invaluable advice.

Above all we recognise the importance of working with others, pooling skills, sharing knowledge and finding collaborative ways of working for better housing solutions.

BARRIERS AND RISKS

FINANCIAL

Despite a growing need for affordable housing in this area, raising finances is a major challenge. We are looking at a number of options ... grants, loans, share offers and joint ventures ... and have acquired a financial modelling tool, which can give us precise financial pictures and predict outcomes. The current model is available on request.

At present there are no special fiscal incentives for those who build housing to a sustainability specification in excess of the Building Regulations.

TECHNICAL/PROFESSIONAL

To achieve our target 80% reduction in home energy use, it is doubtful we would use the traditional system of double masonry layer wall construction, but expect instead to be looking at super-insulated timber frame, preferably locally sourced. In Wales there is good potential to develop into this market. We recognise the fundamental importance of excellent design and high standards of building work, not just in meeting building regulations but also in achieving the kind of exceptional energy performance needed within budget.

LACK OF SITES/HIGH LAND COSTS

We have begun to research the local area to identify where potential sites may exist. We are particularly interested in whether our approach might encourage local landowners to offer marginal sites at an affordable price.

MARKET RISKS

As a business, we obviously have to consider the risk that we will not find enough tenants or customers to fill properties. However demand for affordable housing outstrips supply across the whole of Wales and the national trend is reflected locally ... the Presteigne and Norton Housing Needs Survey 2011 identified over 50 people/families looking for homes, which they can't buy on the open market.

We will establish and maintain a high level of engagement with all sectors of the community on these matters, beginning with our opening Community Consultation in Spring 2014.

CONCLUSION

By identifying the barriers and risks and by analysing how best to deal with each of them, Home Presteigne will be better placed to take on projects, knowing that we have as much control as possible over the outcomes.

***“The nature of business is change...
but the risks you and your team take
should be strategic judgments, not just
blind gambles”***

Richard Branson

PEOPLE

FOUNDING MEMBERS

Hilary Rimington:

Project management, administration, IT, business experience (BSc Physics), currently MD of small business

Marian Hardiman:

Experienced HR consultant, project manager and trainer, now running own complementary therapy business

Alison Weeks:

Project management, (PhD) in marine science, research, lecturing current Open University

Richard Rimington:

(BSc Eng. aeronautical engineering), development engineer at Mangar International

Rachel Francis:

Business writer for sustainable development

David Bamford:

Entrepreneur, designer and builder. Runs own business

John Copsey:

Self-build designer and builder

Nicola Humphries:

Town Councillor

(CVs available)



A COOPERATIVE FOR AFFORDABLE HOUSING