

**HOOK NORTON
COMMUNITY LAND TRUST**



COMMUNITY SHARE OFFER 2024

Offer opens:
20 Feb 2024

Offer closes:
20 May 2024

Target:
£500,000

6% annual target interest

BUSINESS PLAN

www.hooknortonclt.org.uk



Executive summary

Hook Norton Community Land Trust (HNCLT) was established to deliver an innovative community-led project of affordable housing in Hook Norton, to meet the very high demand for affordable housing in the village. Hook Norton suffers from a severe shortage of affordable housing, making it very difficult for younger people to stay in the village. In addition, it is also difficult for older people to downsize into suitable, smaller accommodation, which would release more family-sized properties onto the market. This has a detrimental impact on the whole community as the demographics of the village are ageing and the ability to attract younger people and their families is very restricted.

The land has been purchased, and planning permission has been obtained for the construction of eight affordable homes, four open-market homes, and a community building. The purpose of this business plan is to demonstrate the viability of the scheme and to support the issue of community shares in HNCLT.

The Board is looking to raise between £300,000 and £500,000 from the issue of community shares to finance the construction of 12 homes and a community building, all built to the highest levels of sustainability.

This business plan shows that HNCLT should be able to pay interest at 6% on the community shares from 2027 onwards. To keep the overall costs down, we will ask investors to choose between interest at 0%, 4%, and 6% per annum.



Scope and purpose of the Business Plan

This business plan has been created by the Board of HNCLT to support the raising of community share capital of at least £300,000 to enable the completion of the development at Bourne Green. While we have contracted with **Greencore Homes** to deliver the project, and we have development financing in place from Oxford Advanced Living Ltd, and we are close to signing a contract to sell a 125-year lease on the eight affordable homes to Soha Housing, we have a financial gap of around £500,000, which we need to raise to pay for the last stages of the project. The Board of HNCLT is

therefore seeking to raise between £300,000 and £500,000 from the issue of community shares. Depending on how much is raised, the Board will seek to raise the rest of the £500,000 through further fund-raising. In the short term, the gap would be covered by our existing loan facility. Taken together, this will mean that the gap of £500,000 is fully funded by community shares, donations, and grants. The scope of the business plan is therefore limited to the next four years of account, to show the viability of HNCLT, and to support the issuing of community shares.

Who we are

Hook Norton Community Land Trust Limited (HNCLT) is a Community Benefit Society registered on 24 June 2019 with the Financial Conduct Authority (registration number 8145) under the Co-operative and Community Benefit Societies Act 2014. HNCLT has also been registered as a charity with HMRC, which means that we will not need to pay corporation tax. HNCLT has its registered office at **The Brewery,**

Brewery Lane, Hook Norton, OX15 5NY. Our website has more information, including the Society's rules, previous year's accounts, information about the project and the consultation process, designs and plans, and our share offer document.

www.hooknortonclt.org.uk



The members of HNCLT

HNCLT was established by local people to deliver an innovative community-led project of affordable housing in Hook Norton, helping to alleviate the acute shortage of affordable housing in the village. We currently have 64 members who have been supporting the Society and the development of the project at Bourne Green. As a relatively new society, HNCLT has not delivered significant community benefit yet, but this business plan and the community share raise will enable us to deliver significant benefit to the community. Apart from the original founding members of the Society, all members have joined as a result of the Society's various consultation exercises undertaken in pursuit of the development. The project has been the sole focus of the Society and has been the main item of discussion at successive AGMs, and we have strong support for the share issue from our members.

In 2022, HNCLT accepted the transfer of engagements of the Cherwell Community Land Trust Limited, including 11 members and funds of £21,647, as it was recognised that both organisations had very similar aims and could work more effectively as a single party. The current members, including those who transferred from the Cherwell Community Land Trust, are all very supportive of the current initiative to deliver affordable housing in Hook Norton.

The number of members in each preceding year was as follows:

18 in 2021

47 in 2022
(including 11 transferred in)

54 in 2023

In the future, the members will be critical to maintaining HNCLT as a thriving entity. They will be the recruitment base for future iterations of the board of directors, and thus managing the development at Bourne Green, and then looking for new opportunities to provide additional affordable housing. They also have a vital role in

creating the 'buzz' about the community space, ensuring that the spaces are used as much as possible by communicating the importance that the spaces being patronised plays in the ongoing financial health of the Society (and thus our ability to eventually undertake further developments).

The Board of Directors

HNCLT is governed by its members under our rules, and they elect a Board of Directors who make day-to-day decisions. The current board comprises:

- **Cathy Ryan** (Chair)
- **Fiona Brown** (Vice Chair)
- **Charlie Luxton** (Secretary)
- **Tim Lunel** (Treasurer)
- **Andrew Bowen**
- **Richard Brown**
- **Max Fontana-Reval**
- **Annabel Shawcross**
- **Anne Tutt** (co-opted, non-voting)



These directors have expertise in finance, marketing, architecture, affordable housing, and community engagement, so that they are collectively able to support all of the activities of the Society. Their biographies can be found in the appendix to this business plan.

Under our rules, we can co-opt others onto the Board to augment our skills and experience. We believe that our membership will continue to be able to provide the core skills required for the ongoing operation of the Society, and we would not in any case co-opt more Directors such as to make elected members a minority on the Board as a whole. We do not have any employees, although we have been engaging various external parties to provide administrative and other support to the Society. Our intention is to keep the running costs of the Society as low as possible. As a result, the Board takes all of the day-to-day decisions and is responsible for setting the strategy, agreeing the business plan and its implementation. The Board is therefore actively engaged in monitoring the construction activity and making decisions about materials and supplies. We use external lawyers,

accountants, architects, administrators, and other advisers as and when we need their help. This means we have no ongoing employment commitments.

The project to actually build the Bourne Green development is managed by an agent paid by the Society and the Board keeps on top of progress via active liaison by Cathy Ryan in her role as Chair, and any issues are raised with the rest of the Board as appropriate. In particular, design matters are referred to Charlie Luxton, financial matters to Tim Lunel, and community and planning matters to Fiona Brown.

The Board monitors conflicts of interest and these are managed carefully on an ongoing basis. For example, in the earlier stages of the project when HNCLT received competitive tenders for architectural work, Charlie Luxton was a co-opted non-voting member of the Board. The only significant current conflict reported is that Tim Lunel and Charlie Luxton are both directors of Hook Norton Low Carbon, which is responsible for the provision of the renewable energy element of the project. As this element contributes to the sustainability and financial success of the development, the conflict of interest is in reality negligible.

Vision statement

HNCLT believes that it can play a key role in the provision of additional affordable housing and community facilities in Hook Norton. HNCLT actively supports Hook Norton as a low-carbon village and has therefore committed to making the scheme net-carbon neutral, achieving close to Passivhaus thermal performance standards.

Objects of the Society

The main objective is to deliver and manage affordable housing in Hook Norton, and in the near future, this will mean that our focus is on the delivery of the small development at Bourne Green, which will provide eight affordable homes that will be available to people in housing need with a local connection to the area. It will also deliver four open-market homes and a small community building, which we hope will become a central point of focus for the local community. Once this project has been delivered, the Board will then consider what further projects might be undertaken in the village to provide additional affordable housing and community facilities.



Local design

To ensure that the development at Bourne Green takes into account local requirements, the Board undertook a tendering process, and appointed local architectural practice **Charlie Luxton Design**. They presented the most imaginative and community-based interpretation and embraced the idea of working with the local community. They helped us with our community consultation in the planning process, and we were delighted to receive planning permission for the development with good support from the local community.

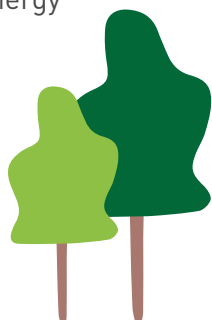


Sustainability

At a time of climate emergency, the Board has determined that the new development should be built to be as sustainable as possible, with as little impact on the environment as possible. During the community consultation, it became clear that the provision of sustainable elements such as solar photovoltaic panels and good insulation, were seen as essential. As a result, the Board has contracted with Greencore Homes to deliver the whole development at Bourne Green, including all of the 12 homes and the community building, plus the associated infrastructure and landscaping.

Greencore Homes are the market leader in sustainability and have developed the concept of 'climate-positive' homes. Their homes are highly insulated and energy-efficient. Each home is powered by electricity rather than gas or oil, and each development includes renewable energy sources to supply 100% of the expected annual energy requirement over the course of the year. The structure of each home is also expected to be better than net zero embodied carbon, with no offsetting required. In addition, a landscaping plan and other measures will seek to enhance the biodiversity of the plot, ensuring that there is ample space for local wildlife.

We are also working in partnership with **Hook Norton Low Carbon (HNLC)**, who have coordinated a joint investment with a specialist technology company called **SNRG**, to deliver renewable energy consisting of: 68 kWp solar photovoltaic panels on the roofs and a 100 kWh community battery connected through a microgrid to deliver low-cost renewable energy to the development. This is truly innovative and could become an exemplar as to how best to deliver a sustainable development for Community Land Trusts. The capital investment for the renewable energy project is being provided by SNRG and HNLC, and they will own the renewable energy infrastructure and be responsible for its ongoing maintenance.



Availability of our homes to people with a local connection

As an integral part of our planning application, we have agreed to make sure that the eight affordable homes are made available to people with a local connection. This will ensure that the homes help to alleviate the severe problems that local people have in finding suitable accommodation in the village. It is also the intention of the HNCLT Board to give priority to local people, as far as possible, when marketing the open-market homes.

Community building

HNCLT will manage the community building for the foreseeable future, and the HNCLT Board will be actively engaged in ensuring the viability of the community building. The building will be configured with two ensuite bedrooms. We will initially offer one as a spare bedroom for residents' guests, with availability offered for booking by the local community when not in use. The other room will be open for rent for other community-based activities and businesses. Early indications are that local therapists and other similar professionals, are interested in using it to provide services to the community.

Our research indicates that there is a severe shortage of rooms for therapists and other professionals offering physical face-to-face meetings to those in need in the community. We will need to appoint agents and/or staff to manage the booking process and cleaners to maintain the facilities in good condition.

In addition, there will be a co-working space that can be rented by local co-workers or used in the evenings for local groups to meet. There is already a co-working space in the village that allows community residents to carry out their office-based business in the community without the need to commute to local towns (e.g. Chipping Norton, Banbury, and Oxford). Since the existing building is not optimal and is not an energy efficient, low carbon building, HNCLC, who rents and manages the space, has committed to moving to the new community building at Bourne Green, when it becomes available.

The details of the financial assumptions for the community building are set out in the **Appendix**.



Work done to date

The project was started in 2019 when we identified a neglected piece of land behind Bourne Lane, which was owned by **Cherwell District Council**, that might be suitable for development. The Council was supportive of our community-led approach and agreed to sell us the land at a price that would support the provision of eight affordable homes and four open market homes. We also acquired an additional piece of land to make the scheme more viable. Following two years of community consulting, we submitted a full planning application in early 2020 to the Cherwell District Council Planning Department. Planning permission was unanimously granted in May 2020 to build a mixture of eight affordable rented homes and four open-market homes, plus a community building.

Since then, the Board has been discussing various options for financing the development, and in March 2023 it was able to obtain a lending facility

of £1.3million from Oxford Advanced Living Ltd to finance the initial stages of the development. The Board has also negotiated the sale of the affordable homes on a 125-year renewable leasehold basis to **Soha Housing**, who will be committed through the planning agreement and a Local Lettings Plan to give priority to letting to people with a Local Connection. Soha Housing is a community-based company with a local approach and one of the very few housing associations in the country which is mutually owned by residents and staff. It recognised that working alongside Hook Norton Community Land Trust and Greencore Construction would enable it to deliver on its pledge to create more affordable homes while seeking out opportunities to build to net zero carbon. This enabled the Board to enter into a contract with Greencore Homes to deliver the development, and work has now commenced on site. It is expected that the development will be near to completion in the first quarter of 2024.



Project financing

In broad terms, the total cost of the project is in the region of £3,700,000. This includes the cost of the land, architect's fees, planning fees, project management, various specialist consultants, legal fees, and construction costs.

We will receive around £3,100,000 from the sale of leaseholds on the completed homes, and we will have received a further £100,000 from grants and donations. This leaves us around £500,000 short of the amount we need to finish the project.

We are therefore seeking to raise between £300,000 and £500,000 from a community share raise and the rest from grants and donations to enable us to finish the project as soon as possible. We have set a minimum target of £300,000 and the

Board of HNCLT may choose to extend the period of the share offer by up to four months if they believe that by doing so, they increase the chances of reaching the maximum target of £500,000.

HNCLT has a loan facility in place up to 31 October 2024, and this loan facility can be used to finance the shortfall to the extent that less than £500,000 is raised. This gives sufficient time to raise the remaining amount through further targeted donation campaigns. OAL has further indicated that they would be amenable to extending the loan beyond 31 October 2024 should it become clear that the donations pipeline is strong, but the final raising of capital has not been completed by 31 October 2024.

A summary of the financing of the project is shown in the table below:

Income and expenditure for HNCLT housing		
Income	Assumed minimum share raise of £300,000	Assumed maximum share raise of £500,000
Sale of affordable homes to Soha Housing per contract negotiations	£2,159,000	£2,159,000
Sale of open market homes assessed by external estate agent	£979,000	£979,000
Other grants and donations already received	£80,000	£80,000
Additional grants and donations	£200,000	-
Community share raise	£300,000	£500,000
Total	£3,718,000	£3,718,000
Expenditure		
Design and build contract and other construction related costs, including pre-planning expenditure.	£3,713,000	£3,713,000

Once completed, HNCLT will own the community building (which we estimate will be worth around £280,000), and we will retain the freehold on the 12 homes. We will therefore receive annual ground rents of £1,000 each, so £12,000 per annum in total.

We expect to be able to generate a small profit each year from the use of the community building, such that our overall operating profit will be

around £30,000 per annum in 2025. This level of profitability will allow us to pay interest at 6% (as new shares) on the community shares from 2027 onwards. To the extent that if we issue community shares above £400,000, we will be able to finance the additional interest cost of up to 6% (as new shares) on the additional shares from expected earnings on the community building above our prudent estimates.

Marketing strategy

It is important that we raise as much money as we can from the community share raise. To do this, we have established a small group to examine the best approach to attracting the investment we need. Their brief includes raising awareness locally, targeting local businesses and employers, and identifying opportunities to attract donations and grants. The group has developed a detailed Engagement Plan to ensure that all avenues are explored.

An extensive round of community engagement and consultations took place from February 2018 to January 2020 using surveys and a series of open meetings. Everyone who was interviewed about the housing crisis felt strongly that affordability of housing for all ages was crucial. One person commented: "without affordable and sustainable housing, the heart will leave the village."

Hook Norton is a growing village, with a population of just 2,400 people, as recorded in the 2021 census. There are also many residents in the villages surrounding Hook Norton and some local small businesses, many of which would be likely to support the community share raise.

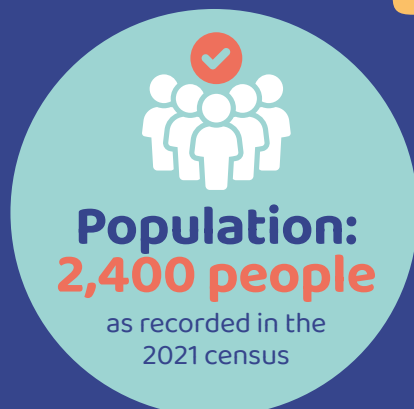
Whilst there are pockets of significant need, which the project is helping to address, 20% of the population are in higher managerial, administrative, and professional jobs and 23.8% are in lower managerial, administrative, and professional roles. This is significantly above the national average for these socio-economic groups nationally, which stands at 13.2% and 19.9% respectively.

There is also a high percentage of people over 50 years of age, (48.5%) who live in the village and who are likely to have more disposable income and an interest in investing in the provision of homes for the younger generations. We know from this and our own membership and interest lists that we have people who both want and are able to invest. Given the exceptional sustainability and low-carbon aspects of this exemplar development, it is also expected to attract interest from regional environmental and sustainability groups.

The community share raise will be hosted on the **Ethex** platform, which will provide access to a wider pool of potential investors. We will also use our marketing skills and social media to bring this opportunity to the attention of a wider audience who may be supportive of such an innovative and sustainable development.

We have strong connections with a variety of like-minded organisations involved in related fields and sectors (renewable energy, low-carbon construction, impact investment, etc) and we believe that we can mobilise these connections and networks to raise c. £200,000 of our total target. That leaves the remaining £200,000 to be secured from the immediate and surrounding areas of Hook Norton, and finally topped up with the Ethex platform user base, who have a track record of supporting similar projects and with whom housing projects are very popular for social impact reasons and because they represent solid, patient investments.

Hook Norton



20% of the population

higher managerial, administrative
and professional jobs



23.8% of the population

lower managerial, administrative
and professional roles

Financial information and projections



Although the Society has been established since 2019, we haven't traded and have been reliant on a series of grants received, that have helped us develop this project, acquire the land, and gain planning permission.

- **In the year to 31 March 2021**, we received £21,647 from the transfer of engagements of the Cherwell Community Land Trust, and we spent most of this on architects, legal fees, and project management. In that year, we spent much of the time in negotiation with Cherwell District Council on the Section 106 agreement and the transfer of the land.
- **In the year to 31 March 2022**, we received a grant of £4,950 from **Westmill Solar Cooperative** towards project management fees. We spent £25,392 on project administration and professional fees, with the shortfall covered by a short-term loan, which also financed the acquisition of the land. In that year, we finalised the Section 106 agreement and agreed the land transfers.
- **In the year to 31 March 2023**, we received grants of £53,859, and we spent £38,880 on project administration and professional fees. We also obtained a loan to repay the previous loan and to finance the commencement of the project. At the end of this development phase, all grants received will have been spent, and therefore we will enter the build-phase at a zero-basis clean slate.



We have then projected the financial information for the next four years.

1. The build phase, moving into 'normal' trading from year two onwards

We have assumed that all of the development activity will fall within the first year of the projection, being the year ended 31 March 2024. In this year, we anticipate selling all of the affordable homes on a 125-year leasehold basis to Soha Housing for £2,159,000, and selling all four open market units on a 250-year leasehold basis for at least £1,060,000 before expenses.

After sale expenses, this gives a turnover of £3,138,048 in the year. We have assessed the value of the retained assets (ground rents and the community building) to be in the region of £520,000, and the balance of the work in progress has then been taken as cost of sales.

In this year we also expect some income from grants and donations, and a refund of VAT that has already been paid and expensed through the profit and loss account, but can be reclaimed.

We will incur expenses associated with raising capital and from general administration, and the net result is a projected operating profit of £139,532.

2. The 'normal' trading phase

For the next three years of the projection, we have projected the income from ground rents (starting at £12,000 per annum), and the profit from the operation of the community building (starting at £23,000 per annum) to give a gross profit of £35,000 in the year ending 31 March 2025, which increases slightly in the next two years. After meeting expenses (starting at £5,000 per annum) we project that the operating profit will be £30,000 in the year ending 31 March 2025.

In relation to the community shares, we have assumed that £400,000 would be raised from the community share offer. We have also assumed that there would be no interest paid in the first two years, and that the Board would then seek to pay

In addition:

- **we will have built and retained the community building, which we expect to be worth at least £280,000**
- **and we will have retained the freehold on all of the new homes, which we will hold in the accounts at a book cost in the region of £240,000.**

The value of the community building has been assessed by consideration of the expected profit in the first year of operation (£23,000), reducing this by £9,000 for additional prudence to £14,000, and assuming this represents an initial 5% income yield on the value of the building.

The value of the freeholds on all of the new homes has been assessed by assuming that the ground rent income of £12,000 in the first year represents an initial 5% income yield on the value of the ground rents.

In this year we have also projected that we will issue £400,000 of community shares to finance the development.

interest as new shares at 6% in the year ended 31 March 2027 (so £24,000 assuming £400,000 of community shares). As the payment of interest on community shares is an operating expense, this impacts the operating profit in the year ended 31 March 2027, reducing it to £7,827.

In relation to the community building, we have assumed that the building will last at least 100 years as it is a timber frame construction, and we have therefore allowed for depreciation at 1% per annum, and this is deducted from the operating profit to give a slightly lower final surplus.

The resulting profit and loss account and balance sheet for the next four years are shown in the following tables.

Profit and loss account (assumes raise of £400,000)

Year ending 31/03	2024	2025	2026	2027
Income				
Sale of properties	£3,138,048	0	0	0
Ground rents	0	£12,000	£12,360	£12,731
Community building income	0	£39,000	£40,170	£41,375
Cost of sales	(£3,072,957)	(£16,000)	(£16,480)	(£16,974)
Grants and donations	£139,359	£0	£0	£0
VAT refund	£45,000	£0	£0	£0
Gross profit	£249,450	£35,000	£36,050	£37,132
Expenses				
Administration	£15,860	£5,000	£5,150	£5,305
Interest payable	£94,058	£0	£0	£0
Interest on shares	£0	£0	£0	£24,000
Total expenses	£109,918	£5,000	£5,150	£29,305
Operating profit	£139,532	£30,000	£30,900	£7,827
Depreciation	£0	£2,800	£2,800	£2,800
Surplus/(Deficit)	£139,532	£27,200	£28,100	£5,027

Figure 1: Profit and loss account

Cash Flow

From 2025 onwards, cash flow is generated from the income from ground rents and the community building, which exceed the expense outgoings.

The cash flow generated in each year is as shown in the table below, assuming that interest on community shares is retained through being paid as additional shares, and without any capital withdrawals.

This demonstrates that the Board could decide to allow up to 1% of the share capital to be withdrawn each year from 2027 onwards, using only the uplift in retained earnings to fund withdrawals, but this could rise to c. 2% if the board allowed some of the historic retained earnings generated from 2024-2026 to be utilised.

Year ending 31/03	2024	2025	2026	2027
Income				
P/L Surplus	£139,532	£27,200	£28,100	£5,027
Add in depreciation	£0	£2,800	£2,800	£2,800
Add in share interest paid as equity	£0	£0	£0	£24,000
Share issue proceeds	£400,000	£0	£0	£0
Loan advance	£1,300,000	-	-	-
Total income	£1,839,532	£30,000	£30,900	£31,827
Expenses				
Loan repayments	£1,572,673	0	0	0
Assets acquired	£328,774	£0	£0	£0
Total expenditure	£1,901,446			
Brought forward	£68,087	£6,172	£36,172	£67,072
Out-turn	£6,172	£36,172	£67,072	£98,899

Figure 2: Cash flow

Balance sheet (assumes raise of £400,000)

Year ending 31/03	2024	2025	2026	2027
Tangible fixed assets	£520,000	£517,200	£514,400	£511,600
Current assets				
Cash	£6,172	£36,172	£67,072	£98,899
Current liabilities				
Creditors	£0	£0	£0	£0
Net current assets	£6,172	£36,172	£67,072	£98,899
Creditors due > 1 year	£0	£0	£0	£0
Net assets	£526,172	£553,372	£581,472	£610,499

Made up of				
Community shares	£400,054	£400,054	£400,054	£424,054
Retained earnings	£126,118	£153,318	£181,418	£184,445
Shareholder funds	£526,172	£553,372	£581,472	£610,499

Figure 3: Balance sheet

These financial projections demonstrate the viability of the development and the ability to pay interest at 6% on £400,000 of community shares and allow withdrawal of 1% per year, from the year ended 31 March 2027 onwards, assuming our conservative revenue assumptions for the community space hold true.

If we were to issue community shares above £400,000, we would be able to finance the additional interest cost of up to 6% (as new shares) on the additional shares from expected earnings on the community building above our prudent estimates.

If we were to issue community shares between £300,000 and £400,000, the additional funding would be raised through donations and grants and the interest cost would be lower than shown in the projections.

In addition, the Board may seek to raise new community shares from an open share offer with a view to allowing greater scope for capital to be withdrawn.

Risks to the business plan, and mitigation

The main risks to the business plan are as follows:

1. While we have negotiated a price for the eight affordable homes with Soha Housing, we have not yet signed a binding contract. To mitigate this risk, we are actively engaged through our solicitors to get the contract signed as quickly as possible. **(Very low risk)**
2. We have taken external advice to support our assessment of the potential proceeds from the sale of the four open-market homes, but it is difficult to predict the values that will be achieved, especially as these will be low-energy sustainable homes in a new development. To mitigate the risk of getting less than we are planning for, we will appoint agents to market the homes and seek to achieve the best values we can. **(Medium risk)**
3. In the projections, we have assumed that the four open-market units will be sold quickly by 31 March 2024. If there is a delay, this will impact the speed with which we are able to repay the development loan, and we will incur additional interest costs. To mitigate this risk, we will bring the properties to market ahead of practical completion to ensure they are sold quickly. We anticipate that the demand in the local market will be strong, and we expect any delay in sales to be relatively minor. **(Medium risk)**
4. In relation to the development itself, we have signed a fixed price contract with Greencore Homes to deliver the development, and while there is therefore no risk of additional construction costs, we would be affected if Greencore Homes were to go out of business. To mitigate this risk, we looked carefully at Greencore's accounts and took into account the fact that they had recently received a significant capital injection. **(Low risk)**
5. There is a risk that there may be other unexpected costs associated with the development. To mitigate this risk, we have sought to thoroughly plan the project and identify all of the likely costs. **(Low risk)**
6. There is a risk that the project takes longer than planned, which would impact HNCLT through the higher interest cost that would normally be expected from development finance. To mitigate this risk, we have negotiated specific financial remedies in the contract with Greencore Homes that would protect HNCLT from the additional interest costs. **(Low risk)**
7. There is a risk that we are not successful in raising the £300,000 minimum target. To mitigate this risk, we have a small team focused on marketing the community share raise, and we have also considered the potential of alternative funding through securitisation of the income from ground rents. We are working with Ethex to raise the maximum target of £500,000 and may choose to extend the period of the share offer by two months in order to reach that target. We have also agreed to an extension period for our current OAL loan should that become necessary. **(Medium risk)**
8. There is a risk that we are not successful in raising the additional funds required to bridge the gap between the amount of community shares and the total £500,000 required to finance the project. To mitigate this risk, we have short-term financing in place, and we have identified a list of potential donors and grant-making bodies, and we will actively engage with these to ensure we meet our target. **(Medium risk)**
9. There is a risk that we do not generate enough income from the community building to support the business plan. To mitigate this risk, we have taken a relatively prudent assessment of the likely level of income, and we will be working hard to exceed this amount. **(Low risk)**
10. There is a risk that our ongoing expenses are higher than projected. To mitigate this risk, the HNCLT Board will set budgets in line with the business plan and be rigorous in only approving essential expenditure. **(Low risk)**

Appendix 1

Community building financial assumptions

The community building will have three spaces that can generate revenue. There are two small rooms (each one being 13.8m²), one of which will initially be made available for spare bedroom accommodation (family visitors and guests) and short-term overnight accommodation, with preference given to the local community. The other will be configured as a meeting room, which would be suitable for one-to-one meetings, such as therapy sessions and other professional advisory meetings. There is a co-working space (44m²), which can be made available to co-workers during the day, and other groups in the evenings.

The small bedroom will probably be bookable through an agent, app or website. It is expected that the room will be utilised for around 60% of the year, with priority given to local residents. The daily rate may depend on demand so that higher rents are achieved at popular times (such as over Christmas). The rental income is expected to average around £75 per night, which would deliver a gross income of around £16,425 per annum.

The meeting room can be made available for small meetings and for the many activities that are run in the active community of Hook Norton. Initial market research has indicated strong interest from local health therapists, social workers, and other professionals. It is estimated that the room should be utilised most days and some evenings, leading to occupancy of 25 hours a week at £15 per hour, leading to gross revenue of £19,500 per annum.

The co-working space can be rented by local co-workers or can be used in the evenings for local groups to meet. It is expected that the co-working space will prove popular with local people working from home in the daytime and should generate revenue in the region of £7,000 per annum. Additional meetings in the evening and over the weekend might add a further £4,000 per annum.

The total expected income of £16,425, £19,500, and £11,000 per annum seems readily achievable, giving a total expected income of £46,925 per annum. In the business plan we have assumed that gross revenue will be lower than this, and we have assumed just £39,000 per annum.

The costs associated with running the community building include:

- **bedroom space overheads** (assumed £2,000 per annum)
- **broadband (assumed £1,000 per annum)**
- **cleaning** (assumed £4,500 per annum)
- **electricity** (assumed £1,000 per annum)
- **insurance** (assumed £1,000 per annum)
- **maintenance** (assumed £800 per annum)
- **marketing and administration** (assumed £3,000 per annum)
- **water** (assumed £500 per annum)

This amounts to around £13,800. In the business plan we have assumed that costs will be higher than this, and we have assumed £16,000 per annum.

We have therefore adopted prudent assumptions for both revenue and costs in relation to the community building.

Appendix 2

HNCLT Board

Cathy Ryan (Chair) lives in Hook Norton and works as Community Engagement Manager at Low Carbon Hub, Oxford, supporting over 40 low-carbon community groups across Oxfordshire. She led the community engagement on the HNCLT housing project. She is motivated by the inequality in the housing crisis and how it disproportionately affects young people and families on low incomes. She worked for many years as a theatre designer, involved in diverse projects from community operas with inner city primary school children to designing forum theatre productions with groups of people experiencing homelessness in London.

Fiona Brown (Vice Chair) works as the Communities Lead at Collaborative Housing, providing front-line support to community-led housing groups across the Thames Valley. She has over 35 years' experience in the development and management of affordable housing, working within housing associations and local authorities. She is an accredited CLH Advisor through the Institute of Housing and lives in Chipping Norton.

Charlie Luxton (Secretary) lives, and owns an architectural design practice in Hook Norton. He became a Director of the project once he had completed the design contract, as he had been so heavily involved in the community engagement and design work and was passionate about seeing it through. As well as running his design practice, Charlie writes and presents a number of television programmes on buildings and design and gives talks on all aspects of the built environment and sustainability.

Tim Lunel moved to the village in 1994 and at that time, people working at the primary school, The Brewery, and the many trades needed by the village were all just about able to buy or rent a home in the community. This is no longer the case. Tim wanted to help form HNCLT to build 12 Passivhaus affordable homes as a template, demonstrating the possibilities of building sustainably, and in a way that benefits local communities. He is an experienced Chair, Non-Executive and Managing Director with a demonstrated history of working in the environmental sector and holds an MBA from London Business School.

Andrew Bowen moved to Hook Norton in 1980 where he served as Head Teacher of the local primary school, which was housed in the old prefabricated rural secondary school building. Over the next few years, he was heavily involved in ensuring that the replacement school building was built to serve the whole community.

During this time, he became aware of how important it was to ensure that the village had affordable houses to prevent further loss of indigenous village families and joined HNCLT to support this aim.

Richard Brown has lived in Oxfordshire for most of his life. He moved to Hook Norton in 2021, was married there, and his youngest child attends the village nursery. He has a background in the operational management of complex, public-facing buildings and has worked for a variety of outsourcing companies. He currently manages the facility operations for a prominent University. He joined the HNCLT board in 2023 to use his experiences to support local initiatives, and to be more involved in the village, and assist in the running of long-lasting community-led facilities.

Max Fontana-Revel moved to the area two years ago, and has a background as a Business Executive across sectors including design, manufacturing, e-commerce, IT, investment, and blockchain. Max noticed that Hook Norton is a leading light in the area, in providing community projects and services to locals, and he would like to do what he can to encourage this. He was keen to join the HNCLT Board to aid these local projects, alongside learning more about the community.

Annabel Shawcross moved to Hook Norton five years ago but lived just outside the village for 16 years. Her three children went to both the playgroup and the primary school, and Annabel is an active member of many village groups. Annabel runs her own online gift business, but before moving to Oxfordshire, she was New Media Communications Manager at the NSPCC, specialising in young people-facing communications, so she has first-hand knowledge of the issues facing young people trying to find their way in the world, housing being a prime concern.

Anne Tutt (co-opted, non-voting) has lived in Hook Norton for more than 20 years. She is passionate about supporting the community and ensuring the village has sustainable, affordable housing for the future. Anne has extensive finance and governance skills. She is a qualified Chartered Accountant with more than 30 years' experience of board membership as both an Executive and Non-executive Director. She is a member of Council at Swansea University and a trustee / advisor to three charities. Until recently, she was Vice Chair of Oxford University Hospitals, which runs the Churchill, Horton, and John Radcliffe hospitals and the Nuffield Orthopaedic Centre.



Contact us

To find out more about **Hook Norton Community Land Trust** and this community share offer, please get in touch:



Homes for Hooky

The Brewery, Brewery Lane, Hook Norton, Oxfordshire OX15 5NY

www.hooknortonclt.org.uk

[hooknortonclt](https://www.instagram.com/hooknortonclt)

hello@hooknortonclt.org.uk

[hook-norton-community-land-trust](https://www.facebook.com/hooknortonclt)

[hooknortonclt](https://www.facebook.com/hooknortonclt)

[hooknortoncommunitylandtrust](https://www.youtube.com/channel/UC...)

