



# Leeds Community Homes Annual Report November 2015 – March 2017

## Annual report for Leeds Community Homes

This annual report – and the financial accounts that accompany them – cover the period from the registration of Leeds Community Homes – on 30 November 2015 – up to 31 March 2017.

With support from funders including UnLtd, Building and Social Housing Foundation, Power to Change, National Community Land Trust Network and Seedbed, we worked throughout 2016 to establish Leeds Community Homes and to do preparatory work for our first community share offer, which was launched at Leeds Market in October 2016.

Funder	£
UnLtd	15000
BSHF	10000
National CLT Network	9800
Power to Change	9307
Seedbed	5000

*\*The UnLtd grant is not shown in the accounts as it was not received by Leeds Community Homes, but was awarded to one of our founder members – to be spent on activities relating to the set up of the Society.*

During 2016 we explored a number of opportunities, in order to decide where to first focus our efforts. Ultimately, one opportunity stood out – to be the affordable housing partner on Citu’s Climate Innovation District development in the centre of Leeds. Through a Section 106 agreement, we will acquire 16 homes on what is set to be the UK’s largest sustainable development. We will retain 9 homes for social rent, and sell 7 at an affordable, intermediate price. Acting as a Community Land Trust, we will ensure that all homes remain affordable in perpetuity.

We would like to thank Leeds City Council for working closely with us throughout this process – and for being open to considering, and ultimately accepting, our application to be the affordable housing partner on this development.

Without investment from people like you, none of this could happen. 275 individuals and organisations invested in our community share offer – and we reached our £360,000 target on the final day of the share offer – 31st January. The support of Power To Change – who pledged to invest alongside the first £100,000 of individual investments through the Community Shares Booster Fund - was key to our success.

Whilst we are thrilled with our successful start, we are very clear that the hard work is only just beginning. Creating affordable housing isn’t easy – that’s one of the many reasons why there’s not much of it. We are confident that we can make a success of our first project – but budgets are tight, and we need to do all we can to

make sure everything stays on track. As a Board we are doing all we can to invest your money wisely in our first 16 People Powered Homes.

At the same time, we are looking to the future. A small amount of the money you invested is allocated to developing a pipeline of future projects – so that we can soon begin work on our next schemes – whatever they might be – to create affordable housing. Our ambition - to be involved in creating 1000 affordable homes over the next ten years - is a real one – and there is no time to lose.

A key part of creating 1000 homes will be to provide support to other people in Leeds to create community-led housing. We were delighted to see Power To Change choose Leeds as one of two cities where they plan to invest £1 million in community-led housing. As part of this programme, we have applied to Power To Change for funding so that we can support community-led housing groups to establish themselves in Leeds – and £90,000 of funding has been provisionally approved for an initial 12 months.

Your investment in Leeds Community Homes is crucial to us – as it gives us access to a source of affordable “patient capital” as we try to create affordable housing in Leeds. But the community share offer was about more than money. It was about beginning to build a movement – a group of people committed to exploring how we can change how homes are created in our city.

Over the coming years we will keep in regular contact with you, so that you know how things are progressing, both with our first sixteen homes and with our longer-term ambitions. We will also seek to involve you in other ways too – for example through regular Member Forums and through other events. We will continue to strengthen and diversify our Board of Directors too.

Leeds Community Homes will succeed because of the strength of our membership. A membership that has invested in what we are seeking to achieve – but also a membership that helps us to spot opportunities, introduces us to people, gets involved in new projects or shares our news with their friends and on social media. We all know that creating affordable housing is one of the defining social issues of our time. We are excited by the opportunity that we have to work together to create more People Powered Homes.

Leeds Community Homes has been a truly co-operative effort, and there are far too many people to thank. However we would particularly like to thank the following people and organisations:

All of our members, for investing in Leeds Community Homes

Power To Change, Co-operatives UK, Seedbed, BSHF , National CLT Network and UnLtd for early-stage funding.

Power To Change and Co-operatives UK for investing in us through the Community Shares Booster Fund

GBAC accountants – for priceless pro-bono work to help us to develop detailed financial projections for the share offer document

Andy Woodcock, Acorn Co-op Support – for patient, helpful guidance in producing the share offer document

Let's Dance, for working with us on our branding and marketing

Wrigleys Solicitors – for legal advice throughout our setup period

Hugh Rolo, from Locality, for consistent encouragement since start-up.

Leeds City Council – for openness to working with a newly-established Community Land Trust

Ecology Building Society, Leeds City Credit Union and LEDA for sponsoring our launch.

## Finance report

We have prepared accounts for the year ending 31 March 2017. Our first reporting year is longer than usual as we were permitted to not produce accounts for the year ending 31 March 2016, as we had only been trading for 4 months.

Our accounts show an operating loss for the period of £5,857. The majority of our running costs during 2016 were covered by funds received from a number of funders – Seedbed, the National CLT Network, BSHF and Power To Change.

The accounts also confirm that £362,000 was invested by members in our community share offer.

Our main areas of expenditure included:

- Payments for tasks relating to the preparation, promotion and administration of our community share offer.
- Legal costs relating to setting up the organisation and other matters
- Fees for the ethical share offer platform that we used for the share offer
- Marketing costs relating to the share offer launch and other marketing activity, primarily branding and website development

The funding that we received from various sources covered the vast majority of our costs up until the end of the share offer on 31 January 2017. The costs incurred during the period from February to 31 March 2017 are in line with the costs budgeted in our share offer document – and have been covered by shareholder funds. It is spending during this period – including a final payment towards the cost of the share offer platform - that accounts for the majority of the losses reported in this set of accounts.

The Board continue to actively manage the society's finances, with expenditure tightly controlled, and detailed management accounts provided to the Board on a monthly basis.

In line with our Rules, which are available to view on our website, we are not required to have a full audit - if so agreed by members at a general meeting. A resolution will be put to the AGM requesting that members agree to us not having a full audit for the financial year ending 31 March 2018. Instead of audited accounts, unaudited financial statements are produced by a qualified auditor. This is of benefit to the society as it keeps down costs. This is reviewed – and voted upon by members – each year at the AGM.

A funding bid to Power To Change, to cover costs relating to developing and providing an “Enabler” service – to develop a broad range of community-led housing schemes in Leeds – has been provisionally approved. This is expected to provide initial funding for Leeds Community Homes of approximately £90,000 for 12 months.

The Board will also continue to look for opportunities to generate earned income and attract other forms of income including grant funding and sponsorship.

Shareholder funds are held until required in accounts with Unity Trust Bank and Charity Bank. The Charity Bank account is a notice-account and offers a slightly higher rate of interest. Both Banks have been chosen by the Directors due to their ethical policies.

The Directors recognise the need to continue to strengthen the Board with more members who have financial expertise. It is hoped that a Leeds Community Homes member with a strong financial background will join the Board at the AGM, and also take over the role of Treasurer.

Directors of the society welcome active engagement of members in the running of the society, and will be as open and transparent as possible on how shareholder funds are spent – with timely updates provided about any material changes in income or expenditure, compared with what was stated in the share offer document. Directors also welcome any suggestions from members in relation to further income generation or cost saving opportunities.

We would like to once again thank all members for investing in Leeds Community Homes.