

PROGRESS REPORT

Project: Falcon
Site: Brigantine, Penryn

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1. EXECUTIVE SUMMARY

This report confirms that the costs and outputs related to **Ambos' Falcon Project: Brigantine** and give members a snapshot on the viability of our cohousing pilot project.

Thank you to all our members who purchased community shares and donated so generously to our match funding appeal. We would also like to acknowledge the countless hours our members have volunteered to move this project forward. Special thanks go out to Sarah Butter for her cheerful work on bringing our governance policies up to date, as well as Crossley Hill, Coastline, and People Powered Homes for undertaking much of the work at risk.

We are still in our first phase of the project (Concept Design & Feasibility) with our budget set at £27,500. The project's current spend as of 21st April 2023 is **£29,547.80**. The increased spend was in relation to having to bring forward an identified task from a later phase, to submit an 'All Matter Reserved' Planning application to ensure our agreement to purchase the site would remain valid ¹.

The project currently has an estimated construction cost of **£2,671,000** and potential grant income of approximately £1.3M from Homes England². Since our previous request to Resonance for Tranche 2 of B(i) funds were suspended, two further development appraisal summaries from Coastline Housing and People Powered Homes Ltd. Have been completed and now indicated a positive Net Present Value (NPV) and a path to viability via an opportunity to partner with a Registered Provider (RP).

Ambos' community engagement efforts have focused on supporting community workshops in partnership with the Rynzine project, which have explored the theme of the housing crisis in Penryn. The magazine was distributed to all Penryn households in February. Ambos also collaborated with Falmouth University's Architecture school second year students to explore over forty designs for the brigantine site and presented by Ambos to the public during one of the Rynzine workshops³. The students will continue to work on the technical delivery aspect of their proposals, which Ambos hopes to use to further engage members and the wider community with the Brigantine Coho.

Our next step is to execute the option agreement and purchase the site for £330,000 via an investment loan by the end of July 2023. We will then raise funds to build the common house through a crowdfunding campaign and a community investment offer. This will give members and the wider community the chance to make a small percentage return on their investment and offer people the opportunity to join in with a community self-build project.

Onward!

¹ The overspend is associated with B(i) Tranche 2, subsequent criteria, so not technically an overspend.

² Based on Jimm Reed report 02/03/23 and preliminary discussions with Homes England.

³ Rynzine is a local magazine that goes out to all Penryn households– visit www.Rynzine.org for digital copy.

2. B(I) TRANCHE 1 FUNDING EXPENDITURE BREAKDOWN

2.1 PROJECT SCOPING COSTS (BUDGET £7,500)

DEVELOPMENT APPRAISAL	
Project Management (combined tender) – Barefoot Architects Ltd. Crossley Hill Ltd.	
QS - budget cost estimate (combined tender) – Barefoot Architects Ltd. Crossley Hill Ltd.	
Concept Design (combined tender) – Barefoot Architects Ltd. Crossley Hill Ltd.	£7152.00
Site assessments/surveys:	
• Flooding Drainage - Engineering & Development Solutions Ltd (Letter of Reliance)	£252.00
• Ecology Extended Phase 1 Survey- Spalding Associates (Environmental) Ltd.	£ 434.76
• Development Appraisals & OMV values (Coastline Housing)	£0.00
• Development Appraisals (CoHo Ltd / People Powered Homes Ltd)	£250.00
Energy Scoping – Community Energy Plus Ltd. 2x 1hr meetings	£0.00
Land Searches – Ambos Project Services Ltd.	£1000.00
SUB TOTAL	£9,088.76

2.2 LEGAL & PROFESSIONAL COSTS (BUDGET £7,250)

OPTION AGREEMENT COSTS	
Option Fee	£10,000.00
Hine Downing Legal Fees (landowner's Solicitors)	£3,606.00
Stephens & Scown Legal Fees (Ambos' Solicitors)	£2,400.00
Land Registry Title Purchase	£6.00
Pre-app & Planning Fee	£1586.20
Resonance Placement fee	£250.00
Accountancy (Lang Bennets).	68.00
SUB TOTAL	£17,916.20

2.3 ASSOCIATED COSTS (BUDGET £1800)

COMMUNITY ENGAGEMENT CO-ORDINATION	
Rynzine – Community Workshops, Copy, Printing & Distribution	£1275.00
Liminal – Community Engagement Consultation	£150.00
Diverse Regeneration Company – Advisor (disputed Invoice £1800)	£500 (ACTF-offer not settled)
ASSOCIATED OPERATIONAL COSTS	
National Community Land Trust membership – Access to Governance Policy Templates	£46.88
ICO Registration (Data Protection) & Policy Writing	£35.00
IT Software & Webhosting	£376.20
Insurance (related to hosting public events)	£209.00
Sundries (parking, event stationary & snacks)	£16.00
SUB TOTAL	£2608.08

B(I) TRANCHE 1 FUNDING EXPENDITURE GRAND TOTAL	£29,613.04
BUDGET MINUS ACTUAL SPEND	-£2113.04

The additional costs incurred where in fact related to Tranche 2 identified costs, but the necessity of needing a valid planning application submission, dated within 4 months of the Option Agreement start date, to ensure it was not breached, resulted in the need to pay for this element sooner. This decision ensured extension backstops were secured and protected our members investment.

3. CONDITIONS SUBSEQUENT TO B(I) TRANCHE 1

3.1 RELEVANT TRAINING COMPLETE

A training morning for Board members was organised on the 24th of September at the Jubilee Warehouse. A CLT 'health check' provided by the National Community Land Trust Network, provided the board with a framework to assess the weakest links of the organisation. Ambos have recently joined the NCLT to access Governance support and resources to help build a more resilient organisation.

Critically, this training identified missing core policies that will safeguard members and guide the board as we move forward.

Since then, Sarah Butter has help create a set of policies, which will be reviewed by our legal team for compliance. These policies are available on request and will be available via our website after their formal review.

3.2 SIGNED OPTION ON LAND TRANSFER

The 6-month Option Agreement terms exchanged between Ambos and Paul Mundy on Wednesday 10th August 2022. This agreement contained extension backstops predicated on Ambos submitting a valid planning application within 4 months of from the start date of the agreement⁴.

The Option has a longstop date of 10th August 2023, but this comes at a cost of £4,000.

The main terms of the Option are as follows: -

- Option Fee - £10,000.00.
- On completion, we will be required to pay the £330,000.00 (less the deposit paid on exchange).
- The option was for an initial six months from 10th August but extendable under the terms of Clause 4.
- This provides for an extension of two calendar months if at the end of the initial option period either the planning decision is still awaited, or an appeal has been submitted, yet you have not received the decision notice (we are in this period which runs to 10th April 2023).
- Clause 4.3 also allows for a further extension, for a period of four weeks, in the event that you are awaiting a written decision or the outcome of an appeal. This extension can be obtained by paying £1,000.00 for each four-week extension, as budgeted under tranche 2, line '£2000.00 legal fees.

⁴ Page 9 -Paragraph 3.1 of the signed Option Agreement. Available on request.

- Even with extensions, the option agreement is subject to a longstop date of twelve months, which means that no further extensions will be permitted beyond that date, and unable to exercise the option.
- The Option Notice is conditional on planning permission having been granted. The extended determination date for planning permission is now 15th May 2023.
- When the option is exercised through service of the Option Notice, we will also need to pay a deposit of £23,000.00. Therefore, we will need to ensure that such funds are available.
- Completion is scheduled to take place twenty working days after the date of service of the Option Notice.
- We will need to ensure that the remaining balance (i.e., the purchase price less the deposit paid on exercising the option) is available in good time.
- If we do not exercise the option, then all documentation relating to the planning application is to be provided to the owner within ten working days.

3.3 SUBMISSION OF PRE-APP & VALID PLANNING APPLICATION

Barefoot Architects developed a concept design and submitted it for Pre-application advice from Cornwall Council. Option two formed the basis for the initial scheme costs estimates and development appraisals⁵. These appraisals identified the funding gap and the need to reduce construction costs, improve revenues, and approach Homes England for grant funding⁶.

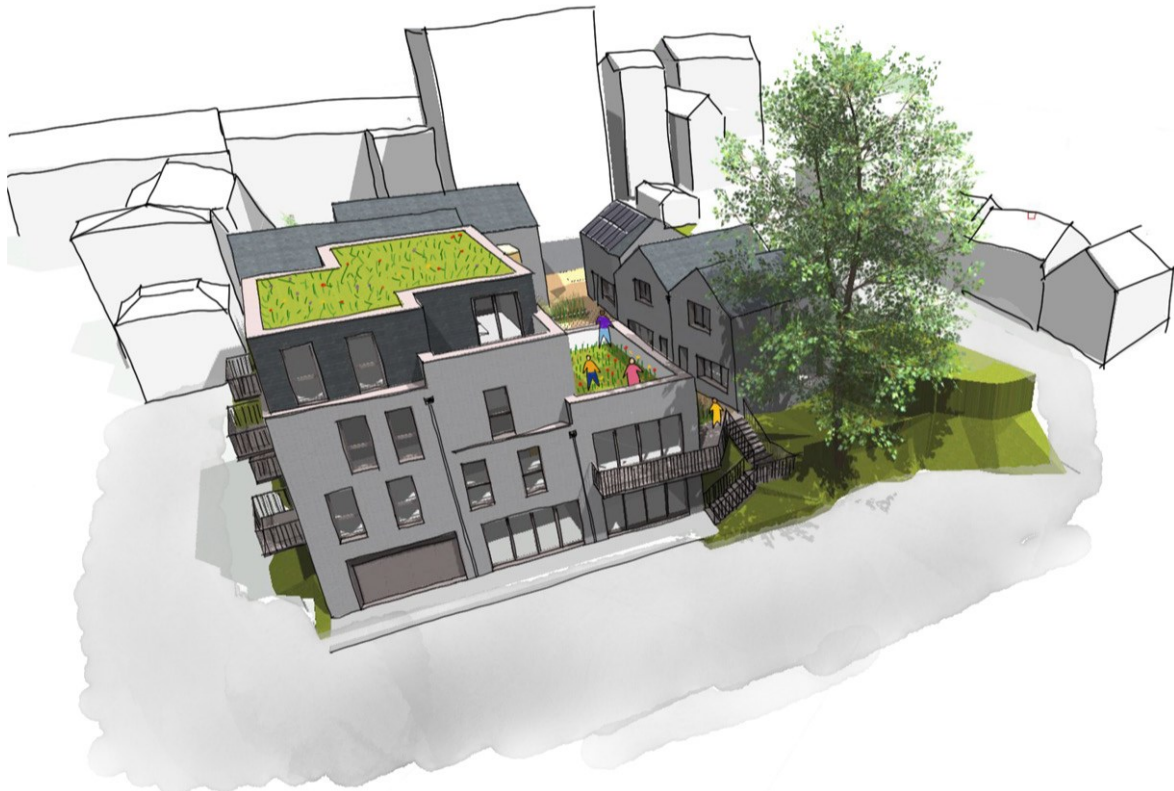


Figure 1: Sketch of early concept design

⁵ The pre-app can be viewed by searching the following reference PA22/01494/PREAPP here: [Simple Search \(cornwall.gov.uk\)](https://www.cornwall.gov.uk/Planning/Pre-application/PA22/01494/PREAPP)

⁶ The archived appraisals are available on request.

Initial informal advice from Cornwall Council Planning, by email, established the principle of development, but with no formal advice issued from planning, left the Board with the decision to press ahead with an 'All Matters Reserved' planning application, to ensure conditions were met regarding the Option Agreement backstops. Cornwall Council validated the planning application on Tuesday 29th of November 2022.

After submitting the planning application, our assigned officer requested further information from us. This included a Biodiversity Net Gain calculation, an Affordable Housing Statement, and a Parameter Plan. However, we had to redesign the scheme before providing this information request as the initial design was beyond our budget. Unfortunately, Community Land & Finance CIC's (Resonance) hesitance to release further funds in December 2022 led to uncertainty about continued funds. This uncertainty led to the termination of our contract with Barefoot Architects. Crossley Hill was novated to undertake the contract and complete work 'at risk', along with Coastline Housing and People Powered Homes, also agreeing to work pro bono.

The revised planning design can be viewed on Cornwall Council's Planning Register by searching the following reference PA22/10343 here: [Simple Search \(cornwall.gov.uk\)](https://www.cornwall.gov.uk/Planning-Register). As you will note the Application is for 14 homes, but since then, one workshop has been designated as an apartment for the purpose of improving the revenue estimates in the viability appraisal, so the scheme now stands at 15 homes.



Figure 2: Proposed Plans



Figure 3: Ariel Overview



Figure 4: Southwest 'Pocket Park'



Figure 5: North Elevation and EV car club.

It should be noted that the planning application reserves the matters of 'Design' & 'Access', partly to allow for greater community involvement in the design process post planning approval, and to establish the Heads of Terms and easements for the EV car-club on Cornwall Council Land.

3.4 SCHEME COST ANALYSIS & VIABILITY

The current overall estimated Project Value is **£3,001,000** including construction costs and fees. This figure and the Land cost price of **£330,000**.

3.4.1 CONSTRUCTION COSTS

Since the last iteration of the cost plan, the scheme pursued an alternative option identified during the pre-app stage, as it was more suited to achieving the cost reductions we needed. It was initially rejected as it was considered less sympathetic to the surrounding burgage plots that define the historic growth around Stoke House.

Using this as a starting point for discussions with [PH Homes](#), who provide a 'kit of part' building system that achieves the Passivhaus standard efficiently and affordably, the option was adapted sufficiently to enable Ambos to gain a quote for the PH15 system for **£731,200** +Vat. This would provide the superstructure, the MVHR system and the triple glazing. This cost certainty allowed for a reduction in some of the contingency associated with cost uncertainty.

The new design was more compact, reduced the amount of circulation space, lifts and stairways and greatly reduced the underground areas previously associated with onsite parking. The form

factor, which is the ratio of the treated floor area (TFA)⁷ in relation to the exterior surface area of the building, also played their part in reducing the cost from the previous assessment.

The full report is available in appendix A.

OVERALL SUMMARY			£/m2	TOTAL
<i>Ambos Cohousing</i>				
1	Building Works		1,629	£1,690,000
2	External Works		182	£189,000
3	Overheads and Profit	5%	91	£94,000
4	Preliminaries	15%	285	£296,000
			2,187	£2,269,000
<u>Other Costs</u>				
5	Consultant Fees	7%	164	£170,000
6	Survey and other fees	2%	33	£34,000
7	Contingency	8%	191	£198,000
TOTAL PROJECT COST			2,574	£2,671,000

Figure 6: Summary of Construction Costs

⁷ The TFA is the heated spaces in relation to the external area of the building facade.



Figure 7: Cutaway Illustration of the Common House using the PH15 system by PH Homes. The system efficiently uses engineered timber portal frame to reduce material waste, while providing a wide cavity to super-insulate the frame.

3.4.2 REVENUE ESTIMATES SUMMARY

3.4.2.1. PEOPLE POWERED HOMES APPRAISAL

Overall Development Balance Sheet		Ambos	
	Out	IN	Balance
Land	(£335,400)		
Works Package Price	(£2,269,000)		
Fees & on costs	(£272,280)		
Borrowing costs	(£99,168)		
Net Scheme Costs			(£2,975,848)
Sales & Disposals			£0
Grants		£1,290,000	
Net income			£1,290,000
Net Costs before Borrowing	(req loan)		(£1,685,848)
	Max		Actual
Long Loan	£ 1,169,350		£1,685,848
LTV	70%		101%
Starting Balance/ Residual			£0
Retained Value			£ 1,670,500
LTV			70%
Max Long Loan		-£ 516,498	£ 1,169,350

Figure 8: Balance sheet provided by People Powered Homes Ltd.

Looking at the above, you can see that the construction budget with a slightly broader set of fees and oncosts and the land costs have been included, as well as some broad assumptions around development borrowing costs. Overall, rounding to about a £3M total scheme costs.

The overall Gross Development Value of the completed dwellings is around £2.6m; so, the overall disparity isn't as acute compared to the previous report.

For the purposes of an illustrating an affordable scheme, here we are looking at an Affordable Rent scenario; with a subsidy of £86k per unit (as discussed with Homes England). Rounding, this brings in £1.3m. For an affordable scheme, this leaves a net long term loan requirement of just under 1.7m.

Ambos Self-Developing Scenario

1. Amount
2. Repayment

If Ambos were self-developing, we would need to borrow against the value of the properties. In this case – if the properties had a restriction for affordable rent the valuation is affected and becomes “Existing Use Value – Subject to tenure” – (EUV STT/SH) in short- the restriction means that a bank would be restricted in disposing of the properties to a social housing provider. This restricts the value to around 60-65% of Market Value (with vacant possession- MV-VP). This might be surmountable, depending on any ease of restrictions which would allow a lender to assess a higher value for the properties.

Second is a more difficult issue- if self-developing, a provider must meet monthly payments which are fixed, like a normal mortgage- and still make a rental surplus each year. With this level of borrowing, the rents will not service the loan- the scheme is unviable with Ambos undertaking the development by itself.

Ambos Partnership with Registered Provider (RP) Scenario

The problems mentioned above can be resolved if Ambos worked with an RP who has a broad borrowing facility which is based on wider housing stock. For the first problem, the value of the site is not an issue as the borrowing is added to the overall borrowing facility the provider has, secured against other homes elsewhere.

Secondly, because these are often broad facilities the RP doesn't need to make a surplus from the outset - it can pay off what it can afford in the early years- so long as it is not making a loss; and then as the debt slowly reduces it can overpay the debt allocated to the scheme. Typically, RPs rely on a scheme being able to repay a scheme debt within 40 or 50 years.

On this basis, a long-term repayment cashflow and can show that, all things being equal, it is possible for an RP to manage a cost of 1.7m for the 15 properties and repay within roughly 30 years.

Obviously, all RPs have their own financial assumptions and variables, so this is open to some further investigation- but overall demonstrate that the scheme can be plausibly viable on this basis.

How It Could Work

Potentially – the CLT would own the freehold of the land – and lease on to the RP on a long lease basis. This could be pre- development, with the RP acting as developer, or post development- selling the completed properties for the RP to take on.

This kind of arrangement has plenty of precedent- for instance, it has been widely practised by Wessex CLT / Middlemarch Associates, with various RPs in the Southwest.

The RP would let and manage the homes, While Ambos having some influence (but not control) over the criteria of who was housed (i.e., priority for local connection, for instance). The lease

could also have some form of buy-out clause for Ambos to retake the properties, subject to repayment of debt and grant.

The arrangement would potentially also work with a mix of some other tenures- e.g., some sale or shared ownership- but these would need more detailed modelling to be certain.

Long term Cashflow

Year	Loan Balance	Interest	Loan Repayment	Closing Loan Balance	Management Maintenance	Voids & Bad Debts	Major Repairs	Total Debts	Rental Income	EBITDA Net income after day to day costs	Annual surplus	Interest Cover	Debt Service cover	Reserve after Loan	Final Balance	Annual Interest on Balance	Year
1	1,685,848	83,984	(74,604)	1,695,228	(7,500)	(4,716)	0	(94,320)	94,320	74,604	0	0.89	1.00	0	0	0	1
2	1,695,228	84,433	(76,805)	1,702,856	(7,725)	(4,857)	0	(97,150)	97,150	76,805	0	0.91	1.00	0	0	0	2
3	1,702,856	84,793	(79,070)	1,708,580	(7,957)	(5,003)	0	(100,064)	100,064	79,070	0	0.93	1.00	0	0	0	3
4	1,708,580	85,057	(82,352)	1,711,284	(8,195)	(5,203)	0	(104,067)	104,067	82,352	0	0.97	1.00	0	0	0	4
5	1,711,284	85,169	(85,770)	1,710,683	(8,441)	(5,411)	0	(108,229)	108,229	85,770	0	1.01	1.00	0	0	0	5
6	1,710,683	85,114	(86,479)	1,709,318	(8,695)	(5,628)	(2,849)	(112,558)	112,558	86,479	0	1.02	1.00	0	0	0	6
7	1,709,318	85,020	(87,334)	1,707,003	(8,955)	(5,853)	(5,699)	(117,061)	117,061	87,334	0	1.03	1.00	0	0	0	7
8	1,707,003	84,877	(88,342)	1,703,538	(9,224)	(6,087)	(8,548)	(121,743)	121,743	88,342	0	1.04	1.00	0	0	0	8
9	1,703,538	84,674	(89,506)	1,699,704	(9,501)	(6,331)	(11,397)	(125,613)	125,613	89,506	0	1.06	1.00	0	0	0	9
10	1,699,704	84,401	(90,840)	1,692,266	(9,786)	(6,584)	(14,247)	(131,678)	131,678	90,840	0	1.08	1.00	0	0	0	10
11	1,692,266	84,046	(92,292)	1,684,020	(10,079)	(6,847)	(17,096)	(136,945)	136,945	92,292	0	1.10	1.00	0	0	0	11
12	1,684,020	83,599	(93,919)	1,673,701	(10,382)	(7,121)	(19,945)	(142,422)	142,422	93,919	0	1.12	1.00	0	0	0	12
13	1,673,701	83,046	(95,728)	1,661,019	(10,693)	(7,406)	(22,794)	(148,119)	148,119	95,728	0	1.15	1.00	0	0	0	13
14	1,661,019	82,373	(97,726)	1,645,666	(11,014)	(7,702)	(25,644)	(154,044)	154,044	97,726	0	1.19	1.00	0	0	0	14
15	1,645,666	81,564	(99,922)	1,627,308	(11,344)	(8,010)	(28,493)	(160,206)	160,206	99,922	0	1.23	1.00	0	0	0	15
16	1,627,308	80,603	(102,323)	1,605,589	(11,685)	(8,331)	(31,342)	(166,614)	166,614	102,323	0	1.27	1.00	0	0	0	16
17	1,605,589	79,473	(104,937)	1,580,125	(12,035)	(8,664)	(34,192)	(173,279)	173,279	104,937	0	1.32	1.00	0	0	0	17
18	1,580,125	78,153	(107,773)	1,550,505	(12,396)	(9,010)	(37,041)	(180,210)	180,210	107,773	0	1.38	1.00	0	0	0	18
19	1,550,505	76,623	(110,840)	1,516,288	(12,766)	(9,371)	(39,890)	(187,418)	187,418	110,840	0	1.45	1.00	0	0	0	19
20	1,516,288	74,863	(114,148)	1,477,003	(13,151)	(9,746)	(42,740)	(194,915)	194,915	114,148	0	1.52	1.00	0	0	0	20
21	1,477,003	72,848	(117,630)	1,432,222	(13,546)	(10,136)	(45,689)	(202,711)	202,711	117,630	0	1.61	1.00	0	0	0	21
22	1,432,222	70,558	(121,366)	1,381,415	(13,952)	(10,541)	(48,438)	(210,820)	210,820	121,366	0	1.72	1.00	0	0	0	22
23	1,381,415	67,968	(125,365)	1,324,017	(14,371)	(10,963)	(51,287)	(219,253)	219,253	125,365	0	2	1	0	0	0	23
24	1,324,017	65,049	(129,639)	1,259,426	(14,802)	(11,401)	(54,137)	(228,023)	228,023	129,639	0	2	1	0	0	0	24
25	1,259,426	61,774	(134,199)	1,187,001	(15,246)	(11,857)	(56,986)	(237,144)	237,144	134,199	0	2	1	0	0	0	25
26	1,187,001	58,112	(139,055)	1,106,058	(15,703)	(12,331)	(59,835)	(246,630)	246,630	139,055	0	2	1	0	0	0	26
27	1,106,058	54,032	(144,220)	1,015,869	(16,174)	(12,825)	(62,685)	(256,495)	256,495	144,220	0	3	1	0	0	0	27
28	1,015,869	49,501	(149,706)	915,664	(16,660)	(13,338)	(65,534)	(266,754)	266,754	149,706	0	3	1	0	0	0	28
29	915,664	44,485	(155,525)	804,624	(17,159)	(13,871)	(68,383)	(277,425)	277,425	155,525	0	3	1	0	0	0	29
30	804,624	38,953	(161,691)	681,886	(17,674)	(14,426)	(71,233)	(288,522)	288,522	161,691	0	4	1	0	0	0	30
31	681,886	32,870	(168,218)	546,537	(18,204)	(15,003)	(74,082)	(300,063)	300,063	168,218	0	5	1	0	0	0	31
32	546,537	26,207	(175,120)	397,624	(18,751)	(15,607)	(76,931)	(312,065)	312,065	175,120	0	7	1	0	0	0	32
33	397,624	18,939	(182,412)	234,151	(19,313)	(16,227)	(79,780)	(324,548)	324,548	182,412	0	10	1	0	0	0	33
34	234,151	11,057	(190,110)	55,098	(19,893)	(16,876)	(82,630)	(337,530)	337,530	190,110	0	17	1	0	0	0	34
35	55,098	2,571	(57,670)	0	(20,488)	(17,552)	(85,479)	(351,031)	351,031	198,229	140,559	77	3	140,559	1,054	1,054	35
36	0	0	0	0	(21,104)	(18,250)	(88,328)	(365,072)	365,072	206,786	207,840	0	0	349,454	2,621	2,621	36
37	0	0	0	0	(21,737)	(18,984)	(91,179)	(379,675)	379,675	215,799	218,420	0	0	570,495	4,279	4,279	37
38	0	0	0	0	(22,389)	(19,743)	(94,027)	(394,862)	394,862	225,287	229,565	0	0	804,339	6,033	6,033	38
39	0	0	0	0	(23,061)	(20,533)	(96,876)	(410,656)	410,656	235,267	241,299	0	0	1,051,671	7,888	7,888	39
40	0	0	0	0	(23,753)	(21,354)	(99,726)	(427,083)	427,083	245,759	253,647	0	0	1,313,205	9,849	9,849	40
40	47,088,123	2,326,789	4,012,636	45,402,276	565,509	711,648	439,701	1,795,061	7,524,555	5,282,094	1,291,331			4,229,723	4,229,723	31,723	

This assessment gives some confidence that, with the right partner, the scheme can be demonstrated as potentially viable.

3.4.2.2. COASTLINE APPRAISAL

Ambos CLT has enlisted the help of Coastline Housing's development department in order to assess the financial viability of Brigantine Coho.

Development default assumptions

In assessing the viability of the development, Coastline has assumed the standard defaults which they would apply to their own Coastline development, these include:

- Bank interest rates, overdraft and negative balances
- NPV discount rate (6.85 – 7.10)
- NPV discount period (35 years)
- Management costs
- Maintenance costs
- Service costs
- Voids and bad debts (4.00%)
- Major repairs
- Rental income, Open Market / affordable and social rents.
- Milestone dates for the planning and construction period
- Construction On-costs
- Contingency (12%)

Schedule of accommodation

The financial viability appraisals used the following accommodation with gross internal areas as listed below:

1 x 1b1p +Work unit – 37m² (shower only) Plus 22.5m² workspace

1 x 1b1p – 37m² (Shower only)

1x 1b2p – 50m²

8 x 1b1p – 41m² (Bathroom)

1 x 2b3p – 62m²

1 x 2b4p – 70m²

2 x 3b4p – 74m²

Common House = 87m²

Crossley Hill Chartered Surveyors have supplied unit costs assuming MMC⁸ systems are used and as such the construction unit cost for appraisal purposes are £2,000/m².

The financial models include a £1.27m grant from Homes England.

⁸ Modern Methods of Construction (MMC) is a term used to describe an innovative process that focuses on developing new ways of building high quality homes faster. It is not limited to any specific material or method.

The Appraisals

Coastline Housing development modelled 3 different models with different tenure mixes:

- 100% affordable – Affordable rent / rent to buy and Shared ownership.
- 100% affordable – social rent / shared ownership
- OM cross subsidy – with social rent and shared ownership

Appraisal Long Term Results

AR/ SO mix with grant 15 units with common house - £-53,369 (negative)

Social Rent / Shared ownership rent with common house - £-122,299 (negative)

Open Market cross subsidy with social rent and shared ownership with common house- £26,589 (positive)

The full set of Proval⁹ appraisals can be provided on request.

Conclusion

The appraisals show that a financially viable schemes are achievable when an element of cross subsidy is present, illustrating the Cohousing ethos of mixed tenure homes and common space will produce a financially viable scheme.

Further models are presently being explored which are to focus on a mix of Social Rent and Shared Ownership and Rent to Buy tenures at a 50/50 split. Based on Further discussions with Homes England after sharing these latest appraisals, this split would attract higher grant subsidy from Homes England and potential further support from Cornwall Council to deliver more social rent (indicated by initial meeting with Cornwall Council Affordable Housing and Policy Team).

3.5 CONFIRMATION OF MATCH FUNDING

The 10% Match funding, to release tranche 2 of B(i) funding from Resonance, has been met and exceeded¹⁰, thanks to an increase of new members and the generosity of our existing members. Membership now stands at 114. Below is a summary of the distribution of support¹¹.

B(I) TRANCHE 2 MATCH FUNDING		
Source of funds	No. of sources	Amount of funds
New and existing members purchasing Community Shares	22	£1343.00
Donations	16	£1309.00
TOTAL		£2652.00

⁹ Proval is an industry standard software for evaluating the financial viability of construction projects.

¹⁰ Bank statements were included in previous Revision P01.

¹¹ The names of members and individual sums contributed, have not been included for GDPR protection.

4. RECOMMENDATIONS

On the 10th of April 2023, the Option Agreement will reach its first Backstop, The Board recommend it is extended to 15th May for the Sum of £2,000. Ambos' Board recommend that Resonance release Tranche 2 of B(i) funding decision to allow for this to proceed, based on the improved viability assessments.

Furthermore, as the current planning application determination date has been set for 15th May 2023, The Board recommends that Stephens & Scown takes action to execute the further backstops, extending the option until the 10th of August 2023, to give the board sufficient time to respond to the determination before deciding to purchase the site.

The board recommends that Resonance release B(i) tranche 2 funding as soon as possible to allow the following:

Legal professional Costs	
<ul style="list-style-type: none"> Legal fees towards extending the option agreement. Develop HoTs for Easements with Cornwall Council and Partnership with RP Progress Charitable Status application Accountancy fees 	£4000.00
Project Management – Crossley Hill	
<ul style="list-style-type: none"> Assist with strategic decision making. Advise on risk management strategy. Update Project Execution Plan. Liaise with the design team. Advise on procurement strategies/route. Conduct planned negotiations. Coordinate legal advice. Manage the integration and flow of design information. Ensure regular review and reporting of budget to the Society. 	£4750.00
Project Scoping	
<ul style="list-style-type: none"> Jimm Reed - People Powered Homes (Coho Ltd) to lead on the development of a business plan with support from the Board, Coastline and other consultant resulting in an application to Homes England. Energy Scoping report 	£2000.00 £1000.00
<ul style="list-style-type: none"> Development of Crowdfunding campaign film and social media strategy 	£4000.00
Further community engagement coordination: <ul style="list-style-type: none"> Develop workshop aimed at securing future residents and new members -Wikihouse build event/course with CNC Craft Ltd (Aaron Moore) & Ellie Birkhead Further development of the Allocations Policy (local Lettings Policy) 	£3400.00
Design Development of option 3 with PH Homes & Release of Planning conditions.	£4500.00
GDV valuation from AW Surveyors on updated design	£1000.00
Further Development of Defra baseline net biodiversity gains strategy	£600.00
Training	
Crowdfunder training with Crowdfunder UK for leading board member	£1000.00
Contingency	£1000.00
Resonance Placement Fee	£250.00
TOTAL including Match funding of 10%	£27,500

5. CONCLUSION & ACTIONS

Since December 2022, we have made significant progress in preparing the Brigantine Coho project for further funding and investment opportunities. The redesign and subsequent appraisals have shown that the project is viable and has a clear path to success.

We have had productive discussions with Homes England, which suggest that grant support is likely if we partner with an RP. To move forward with the project, we need to extend the option agreement, which is identified in Tranche 2 of Resonance's B(i) decision notice.

We must also resume conversations Cornwall Council to establish legal agreements for easements and the EV car club on Pamarin carpark.

Time is of the essence. We need to focus our efforts on developing a comprehensive business plan for Brigantine that will support the purchase of the site at the end of the Option Agreement.

5.1 ACTIONS

Name	Action	Due date
Charles Lewis (CLFCIC - Resonance)	Review report and confirm B(i) tranche 2 allocation.	10/04/2023
Miguel Fernandez	Contact Stephens & Scown and landowner to discuss actioning the Option Agreement extension	10/04/2023
Phil Crossley	Arrange Draft HoTs for Easements, RP Partnership & Land Purchase investment.	14/04/2023
George Gillow	Correspond with Coastline to chase further tenure mix	14/04/2023
Leo Forster & Eve Bourrat	Organise next Members event engagement programme	28/04/2023
Sarah Butter (ACTF)	Review local lettings Policy Template with CC Policy Team	01/05/2023
Matthew Thomason	Develop Crowd Funding Campaign	28/03/2023

End of Document