



DIRECTORS AGREEMENT

[23 May 2020 version]

1. Purpose

This Agreement begins the process of clarifying how we will work together to seek, build and maintain our homes and community, and what our rights and responsibilities are as Directors of *Horizon Cohousing – Gloucestershire*. It sits alongside our Memorandum & Articles of Association and our other Policy documents - both those that already exist and those that we will devise together as our project develops.

2. Conditions of becoming a Director

Anyone wishing to be considered as a prospective unit holder and thus a Director must first formally register by emailing (contact address to be agreed). See also Application Process and Waiting List policies.

All Directors must sign and date this Agreement as a condition of becoming a Director. Signing this Agreement is also to be taken as evidence that the signatory has:

- read and made a commitment to our Values document and the Memorandum and Articles of Association
- received a copy of all our other existing policies
- in particular committed to the requirements of Section 19 of this Agreement – i.e. the need, prior to taking up residence, to provide evidence to the secretary of having arranged a Will, Power of Attorney, and who will be responsible for the sale of their property in the event of their death.

3. Decision Making

Our aim is to use consensus decision making on all major issues. The details of our decision-making processes will be established through an initial workshop and subsequent discussion and practice.

At this stage we envisage that we will only adopt a show-of-hands type vote if consensus decision-making proves impossible against a necessary time constraint.

Prior to our adoption of an agreed consensus decision-making process we will seek unanimity at decision-making meetings and require a majority on any decision where unanimity is not possible.

If we do have to resort to voting, the Chair of the meeting will remain neutral. If there is deadlock, the Chair will have a casting vote.

All households will have two votes. These will comprise one for each permanent resident where the unit has two residents. In units where there is only one permanent resident that resident will have two votes, in order that each home has equal voting power. If only one person (of a pair) attends a meeting, they can cast two votes. Before moving into the homes the same voting procedure holds - so potential single household Directors will have two votes.

We recognise that a Director's family member might need to come and live with that Director. The family member would be welcomed as a non-voting member of the group and we anticipate that he/she could potentially become a Director, with voting rights, if residence becomes permanent and they are aged 50+.

The results of all decisions will be formally recorded, and copies of the Minutes will be stored appropriately by the Secretary, circulated to all attendees and available for any Director to read. At the next Director's meeting everyone will be asked to confirm that the Minutes are correct, and, if not, any agreed amendments or adjustments will be recorded.

Hierarchy of meetings

- High value/high consequence decisions may only be taken at physical meetings – for example, key decisions about whether to proceed or not with a specific site; appointments of key consultants or contractors, and any decisions that involve significant unbudgeted expenditure. The detail of this will be determined in due course after further discussion.
- Directors who are unable to attend a physical meeting can participate via telephone/Facetime/Skype (the fact that they are calling in should be recorded in the Minutes).
- It is also acceptable to organise 'virtual' meetings for Directors via Skype/Facetime/telephone (but this type of meeting will be mainly reserved for 'working sessions' rather than 'key decision-making' sessions). For example, this may be a more practical way for a sub-group to function. Any important decisions made via this medium also need to be recorded, and stored in the appropriate Minutes file(s) (and a copy sent to the Secretary for central storage/archives).
- From time to time we may need to ask Directors for their views via email or text or WhatsApp. Whoever seeks views via e-mail, text or WhatsApp needs to summarise the responses, re-circulate this to everyone involved and copy it in to the Secretary - and to all other Directors (unless the issue is being considered only by a sub-group). This may require them to (for example) take a screenshot of a significant text message.

THE DEVELOPMENT PHASE

4. Contributions made during pre-development phase

The group will incur many costs in the pre-development stage (the phase leading up to the start on site of any construction work). For example, legal advice, the purchase of the site, technical consultants' fees, publicity costs, etc. Some of this may be covered by grants, but other elements will not. And some of these costs could be significant – realistically we may have to spend (between us) £50k to get a scheme through planning, and if we have to stump up cash in advance to buy a site that might require a contribution of tens of thousands of pounds per household. Obviously, we would aim to minimise these contributions, and to put them off as long as possible, or (possibly) take out a group loan to acquire a plot, so we only have to, between us, pay interest on the loan.

Provisionally, we anticipate that we may split pre-development costs evenly across putative households. This will be decided after further discussion.

From time to time we may therefore need to ask Directors for contributions to a central pot. These contributions will be documented by the Treasurer. The spreadsheet that records these contributions will be accessible to any Director, so they can see the status of the organisation's accounts. Every quarter the Treasurer will provide a financial update at one of the regular group meetings.

For those Directors who eventually move into a unit we envisage that these contributions may be taken into account, and if the overall financial position allows, they will be deducted from the actual 'cost' of building their home.

If someone leaves before the units are built, we would hope (but cannot provide a cast iron guarantee) that they will get their contributions back. This might be achieved by requiring any new replacement Director to reimburse the departing Director for the contributions already made. The details of this and many other financial arrangements will be decided by the Directors together in due course.

Directors must recognise that there is a possibility that the project may falter, or collapse, in which case some or all contributions could be lost. This is a risk that we all need to understand and be willing to embrace. The company's Memorandum and Articles of Association state that on dissolution the re-distribution of any assets would be in proportions decided by the Directors. Provisionally we anticipate that this would recognise any differing individual contributions each Director has made.

Our bank account will be under the stewardship of our Treasurer.

The group will decide in due course on the conditions and budgeting arrangements under which payments of different amounts can be authorised, and by whom. Until such a decision has been made, Directors can only claim for expenditure if it has been approved by a full meeting.

5. Site selection and evaluation

It is very likely that we will evaluate a number of sites before we decide on one that we want to progress. We need to assess each site, taking into account all the many complex issues that may be involved (and the potential costs/risks).

Initially each site can probably be crudely evaluated by a sub-group of Directors. But most sites will probably require further professional input, and a more formal viability report/assessment.

A site sub-group will be formed from the Directors to proactively identify potential sites, evaluate the viability of those that we might want to progress and to recommend to all the Directors any that they feel are suitable.

6. Site design and layout

The layout and broad/outline design of any site that we decide to acquire will be undertaken using a 'co-design' process. This will be attended by and involve all Directors of the group. The co-design workshops could be led by an experienced independent facilitator that the group collectively selects and appoints. Alternatively, one or more of the Directors that have expertise in this area might volunteer to take on this role; they may also be willing to support the design process as it evolves.

The group will aim to be a 'model client' by drawing up a clear brief, setting a firm budget, interrogating the draft design as it evolves, and coming to a clear consensus on the preferred solution.

7. Home allocation

The broad layout of the site will be agreed by the group as a whole during the co-design process. It is almost inevitable that this will result in some of the potential homes being in a more attractive location than others (for example, some could be at ground level with easy access; others might have better views; some could get more sun, or be in quieter locations; some may be larger than others). So the value of the completed homes will vary.

Our aim will always be to come to a consensus agreement on which homes each household gets. But we accept that this may not be possible for all the properties. We will discuss this allocation process and the relationship between different units and different costs in due course, seeking equitable outcomes for all.

8. Individual home design:

The exterior look/feel/materials palette of each home is likely to be agreed as part of the co-design process explained earlier. This could be the same across all the homes, or there *may* be scope to select a particular external finish for each home (for example, timber cladding or tile hanging - but this will depend on planning, costs and possibly other issues).

There *may* also be opportunities to develop different layouts and sizes of some of the homes (for example, compact studio apartments or more generous one bed, or two, or even three bed options). Again, this will depend on the site, costs and the planning limitations imposed on it, so it cannot be guaranteed.

It will be important for each household to work out the approximate size and configuration for their unit early on in the process, so that this can be factored into the design brief. If a household's requirements change it is their responsibility to let everyone know, as we don't want to waste efforts or incur costs designing something that they no longer need.

There *could* also be an option for people to have a fully completed home (to an agreed standard specification – this has not been agreed yet), or to have their unit provided as a 'self-finish' shell. If people choose the self-finish option they would have to commit to complete any building works to their unit within a period yet to be agreed, so that their building work does not unduly disturb their neighbours. They would also have to commit to meeting all regulatory requirements.

We envisage that each unit will be transferred to its resident/s as and when it has been signed off by the Local Authority as being ready and fit for habitation.

9. Valuing units and apportioning total final costs to Directors

Provisionally we anticipate the following process, but this is subject to agreed change in the light of circumstances and further discussion.

The value of the units is likely to vary, dependent on size, location and other factors. The relative desirability of the units is likely to be reflected in the valuations, which would simply make some units more affordable than others.

The group will appoint an independent RICS valuer to calculate the anticipated final value of each unit. These values will be discussed and agreed by the group. If there is any dispute over initial valuations another RICS valuer will be appointed and the median of the two valuations will be used.

The all-up total cost of building the units (minus the cost of constructing the common house/shared facilities) will be calculated and this will be split up between each household dependent on the agreed valuation of their unit.

So, for example, assume the all-up cost of building the units has come to exactly £4m, and the valuations of all ten putative units varies from £300k to £500k (and the total for valuations for all ten adds up to £4.4m). In this case someone who has a unit valued at £300k would pay $0.3/4.4 \times 4 = £272.7k$. If the all up cost of the units comes to more than the sum of all the valuations, the same calculation would be made, so someone could end up paying more than their unit is valued at.

A more detailed illustration of this is provided in Appendix 1.

It is assumed that everyone will broadly input the same level of effort during the process, so there will be no deduction for 'sweat equity' (i.e. time or other non-financial contributions).

10. Shared building/facilities

The precise details of the proposed shared facilities will not be confirmed until we have a real site, a confirmed design and funding in place. However, the group is keen to provide facilities such as a communal meeting/activity room and a kitchen/dining area for occasional meals together. There might also be shared spaces for craft, leisure and laundry, plus guest rooms and a car share scheme. Depending on the eventual site, we may also provide an attractive events venue for local community groups, or even a community café, gallery or shared work space.

A final decision about the range and size of these facilities will be taken later, when we have a real site and a full understanding of the cost implications. We will investigate the availability of grant aid towards the cost of some of these facilities. We currently anticipate that all households will contribute to the remaining costs using a calculation based on the internal square meter area of their homes. So, for example, a 100 sq m home would contribute twice as much to the cost of the communal facilities as a 50 sq m home.

See Appendix 1 for a worked example.

11. Garden space:

If the site includes gardens and growing space we will – as a group – decide how this is best arranged. We would envisage growing vegetables and plants, with the possibility of adapting to lower maintenance grounds if our abilities wane over time. It may also be possible to include small private gardens linked to some of the homes.

12. Vehicular/pedestrian access over the site:

We are keen to keep cars away from the heart of the development and we plan to investigate setting up a car share scheme. It is very unlikely that it will be possible to park cars outside people's own houses.

The main parking area may include electric car charging points, though at this stage we have not worked out how these will be funded or managed.

13. Selling your home in the future

We are developing a Waiting List Policy which sets out how we recruit potential residents to occupy any homes that become available.

We may decide that the existing Directors (both before and after moving in) will exercise some control over the suitability, or prioritisation of new Directors/residents. For example, we may want to prioritise younger people (in their 50's say) who are keen to join the group. This could have an impact on those wishing to sell their property. Further discussion will be undertaken to develop a policy on this.

THE LIVING PHASE:

14. Business use

Residents are permitted to undertake business use in their homes or the proposed shared business spaces; so long as it causes no undue disturbance to their neighbours in the community.

If someone wants to use/hire one of the proposed work spaces, directors would need to consent to this in the normal way.

It is envisaged that the proposed community space might be a lively focus for the immediate neighbourhood. At this stage our expectation is that there will be a management committee set up by a group of the Directors to operate this, and that they would decide on what uses are suitable, and those that are not.

Proposals for any programme of events staged in the communal facilities would need the consent of the directors in the normal way.

15. Occupancy, Visitors and Lettings

The group has not yet developed detailed policies on these issues.

However, we believe Directors should treat their units as their principal residence, and residents would be expected, in normal circumstances, to occupy their units for the majority of the year.

Friends and family are very welcome to stay with Directors of the community - they enrich us all. We encourage one another to inform all Directors if anyone is planning to stay for a significant length of time.

We are all responsible for the conduct of our guests, adults and children, whether they are staying in our homes or in the guest room. It is important to ensure that other residents are not disturbed.

Any planned lettings have to be agreed with the group in advance, and only to people for whom the unit owner can vouch. For long term lets residents should set up a suitable tenancy agreement, in which the tenant agrees to respect the values and rules of the community etc. We would not normally support units being let to people that are younger than 50.

16. Shared facilities and Community space operational costs

The cost of maintaining, heating and cleaning the communal areas – corridors, lifts, communal gardens, laundry, car park, security system, etc – would be shared among all the households. We reserve the right to increase or decrease the cost per unit dependent on the level of use/benefit they are getting. So – for example – if some households don't have a car, and others have two vehicles, we may want to reflect this in the community charge.

If some residents do a lot of communal work – for example if they maintain the communal gardens, or provide cleaning to the communal areas – we might also take this into account when calculating how much each home should pay. Overall our aim would be to break even, and keep the costs to a minimum. Part or all of the cost of operating the community space may be covered by the income generated from hiring out work spaces, guest rooms, ticket income, function fees and possibly some occasional grant income.

However, if there is not enough income to cover these costs, any deficit may need to be shared among the households/residents. At this stage we have not decided how to split these costs – they

could be shared equally among each household, equally among each resident or by some other formula yet to be agreed.

The community fund may also benefit from any contribution that we might agree should be made to the company as a small percentage of the selling price when any unit is sold. This idea is still under consideration.

17. Repairs and maintenance

Residents will be responsible for maintaining the interior of their homes (and insuring them to cover accidental damage to neighbouring properties through flood, etc). The maintenance of the exterior of each home, and all communal spaces, will be co-ordinated by the group and the cost shared equitably between the homes. As some homes may be larger than others, we may need to charge proportionally more or less.

The group believes that each household will have to fund their share of the costs, irrespective of any periods of absence, for whatever reason.

We will discuss whether, when and at what level to create a 'sinking fund' in order to cover future unanticipated communal bills.

18. Mutual Support

One of the guiding principles of a Cohousing community is that its Directors are willing to act as friendly neighbours, prepared to help each other out, especially in emergencies, and to be generally supportive and aware of each other's needs.

Everyone that joins Horizon Cohousing - Gloucestershire needs to:

- Take full responsibility for themselves and their own welfare
- Be capable of living safely in their own accommodation (either on their own, or with the support of carers) without making demands on fellow residents that extend beyond the kind of neighbourliness described in this section
- Commit to being neighbourly and may therefore expect reasonable support from the group.

'Helpfulness' for one person can be experienced as 'intrusiveness' by another; 'respectful distance' can be interpreted as 'lack of support' - it is important therefore that Directors share and take responsibility for communicating a broad understanding of what they mean by 'being neighbourly' and what is to be understood by 'reasonable support'. This shared understanding is the necessary starting point for establishing a way to 'look out' for each other rather than 'looking after' each other.

What mutual support means in general:

- The maintenance of a spirit of helpful and reciprocal caring
- Watching out for the safety, security and wellbeing of fellow residents.

A group commitment to 'mutual support' means that Directors undertake to offer reciprocal services and receive benefits in a spirit of neighbourliness. This is understood to mean one-off or short-term assistance for a range of minor contingencies, but not long-term and regular personal care that more properly should be provided by professional or welfare services. Mutual support is entirely voluntary and cannot be required or expected as of right.

What mutual support might mean in particular instances:

- Someone is unwell and needs a prescription to be collected, eye-drops administered, shopping done, or a meal provided
- Someone needs a lift to a hospital appointment, or the doctor called
- Someone needs plants watered and a pet fed while away from home
- Someone needs a neighbour to watch out for a delivery
- Someone notices and investigates a neighbour's unusual absence

What mutual support would generally NOT mean:

- The right to expect the regular cleaning and upkeep of a member's home or regular shopping, provision of meals or other regular services
- The right to expect personal care such as dressing, showering, toileting, changing dressings or other services of a personal nature.

All arrangements must be agreed between any resident needing help and those able to support them.

Directors' family and friends

We plan to keep a list of people who may be contacted on behalf of residents in an emergency or at the request of the resident concerned.

19. Death or serious illness of a Director

It will be damaging to the community if units become vacant without clear instructions from departed residents. Directors therefore agree that, in order to become a resident:

- They must have a valid Will
- They must authorise a named person or persons to deal with their property in case of their death, and to inform the chair/secretary of Horizon Cohousing - Gloucestershire who this person is/people are
- They must set up Powers of Attorney for Finance and Property and Health/Welfare, and inform the chair/secretary of Horizon Cohousing - Gloucestershire who this person is/people are

It is also recommended that each Director considers the advantages of making an Advance Decision and giving copies to their GP (to be noted on their Summary Care Record) and to anyone who might be involved in their care.

Before completing the purchase of a unit (or otherwise becoming a long term permanent resident), each prospective resident must show evidence to the secretary of having met these requirements. For the sake of clarity, this means that nobody can become a permanent resident of Horizon Cohousing - Gloucestershire until they have fulfilled these requirements.

20. Community activity/involvement/support

We expect everyone to do their bit to help the community function effectively, but we do not plan – at this stage at least – to set a target number of hours per month.

21. Home extensions

It is unlikely that there will be an opportunity to extend one of the homes. However, should this issue arise, in addition to gaining full planning permission, we would expect residents to firstly discuss their outline proposals with the group, and secure their support for the proposed extension.

22. Complying with our Policies

Each Director agrees to comply with the policies and procedures agreed by the group from time to time.

While many of these policies and procedures are yet to be drawn up, Directors should be aware that the following are likely:

- Fellow residents will not be expected to provide any formal personal care to one another as part of their neighbourly commitments to one another (see Section 18 above). It might be that we develop provision for on-site facilities to be available for visiting or resident care and support staff, but there is no guarantee of professional support being available for any resident with any particular condition.
- While we all intend to be as supportive as possible to one another, it is possible that we will develop a policy whereby a resident may be required to move out if their medical condition and/or behaviour constitutes a danger to themselves or other residents.
- The Directors have agreed that there will be a policy about the keeping of pets which may restrict the type of pet, the behaviour of pet/pet owner, and the total number of pets both by household and across the development as a whole.
- Grievance and conflict resolution policies will be drawn up, to which everyone will be required to adhere.

23. Meetings

Meetings of all Directors are scheduled every month. There is also an annual general meeting where the officers of the organisation are elected/appointed.

If a Director has an important issue they wish to raise they have the right to call an extraordinary directors meeting. See Articles of Association.

Directors commit to find mutually compatible dates for meetings, and to use all reasonable endeavours to ensure that each household/putative household is represented at meetings.

Where necessary, contributing to meetings remotely by means of convenient technology will generally be a possibility.

If a member is living off site due to ill health they can nominate a proxy to attend meetings and vote on their behalf. In these situations the appointment should be reviewed every six months.

In the event that an attorney or attorneys are required to act on a resident's behalf, they can attend meetings and vote on issues. If they represent a single householder, they can cast two votes on their behalf.

24. Review and variations of Directors Agreement

Directors agree to review and update/adjust this Directors Agreement as necessary and at least annually. Any variations are to be agreed at a Directors Meeting, recorded in the Minutes and circulated to all members. An up to date version will be held in the central records.

25. Counterparts

This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

Signed (as Directors of Horizon Cohousing - Gloucestershire)

Name: _____

Signature: _____

Date: _____

Name: _____

Signature: _____

Date: _____