

### Background:

- We conducted a review of how shares are raised and used across RUSS and Church Grove
- As part of this review, we identified a (pre-construction phase) resident financial commitment within the Resident Involvement Policy whereby households are required to make a £1,000 financial commitment in the form of shares
- Based on the language in the policy, these funds were not intended for development purposes or for RUSS expenses

*“RUSS has not and will not be relying on the resident’s group contributions as part of it’s development cash flow. Whilst RUSS may ask for a loan to help fund shortfalls in the Church Grove budget, **this would be on a repayment basis.**”*
- The following proposal will clarify that these funds are to signal a financial commitment to Church Grove *only* and that the commitment will be in the form of a refundable cash deposit

### Proposal:

- The initial pre-construction phase financial commitment of £1,000 is only required of residents for shared ownership and shared equity dwellings
  - It would be unfair to request such a commitment from rented and especially socially rented dwellings
- For simplicity of administration, the financial commitment will be treated as a cash deposit rather than shares
  - Note there is an existing savings account which will be used to ringfence the cash deposits
  - The intention of this financial commitment was not to generate additional funds for RUSS
- The financial commitment is fully refundable if the resident decides to withdraw
- The financial commitment will be deducted from the purchase price upon sale

### Next Steps:

- If agreed upon by the board, we will bring these clarifications to the residents meeting in April
- Further, we would like to gauge interest from residents on post-construction co-operative funds for community projects, which aligns with the community-focused ethos of Church Grove

## E. Resident financial commitment (pre-construction phase)

Residents in Pools 1-6 (shared ownership and shared equity dwellings) will make a minimum £1,000 financial commitment per household in the form of ~~purchasing RUSS shares to this value~~ a refundable cash deposit. Residents in Pools 7-9 (rental dwellings) ~~are not required to make this commitment.~~ will make a £1,000 financial commitment per household (for Pool 9 this is £333 per person) in the form of purchasing RUSS shares to this value.

Residents will make this financial commitment shortly after the second financial assessment of residents is complete. ~~At this point they will be given two months' notice to transfer monies to a separate ring-fenced Deposits Account. All monies paid in will be repaid if a resident decides they no longer wish to be involved. The resident financial commitment will be deducted from the purchase price or rental value of RUSS homes upon sale/let.~~

~~The financial contributions will be held in a separate ring-fenced Deposits Account so that residents can be confident that any monies paid in can be repaid if a resident decides they no longer wish to be involved.~~

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~~RUSS shares are refundable if a resident decides to leave the project.~~