

**Trustee Board Meeting – Minutes – 27.06.23**

**Location: Zoom**

**Present:**

Robin Swanson (RS)

Frank Danks (FD)

Paul Swanson (PS)

Tim Foddy (TF)

Lynne McCallum (LMc)

Peter Johnson (PJ)

Susan Meister (SM)

The meeting was opened at 1700 by the chair (RS) who welcomed all present and thanked everyone for their attendance.

**Item 1.**

**Trustee declarations of interest.**

The Board members were requested to declare any personal interest in any of the agenda items for this meeting. Such a declaration would restrict the individual to discussion and information only and prevent them from voting on any decision-making concerning policy or allocation of assets.

(L.Mc) declared a personal interest in the Self- Build plots with a possible interest in Shared ownership properties.

(FD) declared a personal interest in Item 3 and would abstain from any voting.

## **Item 2**

### **Previous Meeting Minutes**

The minutes of the previous Trustee Board meeting on 25.04.23 had been circulated to all Trustees prior to this meeting for review. Those minutes were reviewed and accepted as a true record by all who attended. The minutes were signed accordingly by the Secretary on the behalf of the Chair.

### **Item 3.**

The Secretary (FD) presented a Membership Application to the board which was discussed and approved by a majority vote. The Secretary committed to advise the applicant and issue a Share Certificate.

**Action: (FD)**

### **Item 4.**

The Treasurer (TF) presented the latest KCLT financial status. The KCLT Treasurer's Account with Lloyds Bank has a balance of £12,925.10 following a recent grant payment of £7545 from ECDC.

### **Item 5.**

The Chair (RS) presented an update on the current status of the Trust's application for Registered Provider status. Board members were aware that the process had been halted by the Regulator due to issues with the progress of the sales contracts with Bellway. It has also become apparent that the previous perception that registration as a Registered Provider was mandatory but, subject to confirmation, this is likely not to be the case as KCLT housing is registered as Affordable Housing and is therefore most probably Intermediate Housing which does not require RP Status. This has to be subject to further research and confirmation.

There is draft legislation currently in progress which may mean that Registered Providers will have to demonstrate that their management structure contains suitably qualified housing professionals. Whether CLTs will be subject to these changes is unknown until the regulations are published after which the board will be able take appropriate action to comply if required. It was proposed that the Trust should move forward with the application as soon as the sale contract is complete because of the time left available before taking houses whilst recognising that it would be possible to pull out, if necessary, once the qualification legislation became clear. The policies and protocols completed to date form a solid base for the governance of the Trust and a robust demonstration of intent.

## **Item 6.**

The Secretary (FD) advised the board that an issue has been identified which has the potential to impact future governance and management of the Trust.

Kennett Community Land Trust adopted the model rules provided by the NCLTN. The issue centres around Rules D7.4 and D7.12 which refer to re-election of trustees after three fixed terms of three years in the elected role. The rule states that trustees in this position have to stand down for a full year before being put forward for re-election.

***“Any Board Member retiring under Rule D7.4 having completed nine years continuous service on either the board of the CLT and/or the board of a group member shall not be legible for re-election until the next following AGM or, if later, for at least twelve months after completing such service”***

As 5 elected trustees are due to stand down following nine years continuous service at the same time, in 2026, which will leave the Trust without a quorate board at a time when the expertise and experience of the board and officers will be vital as the development transits from phase 1 to phase 2. This transition will necessitate considerable trustee input. Recruitment of additional trustees before then would solve the issue but based on previous requests to the membership this is extremely unlikely.

Several possible scenarios have been identified which may resolve the issue.

- 1) Recruitment of new Trustees - unlikely based on past experience.
- 2) Removal of Rules D7.4 and D7.12 which will need membership and more importantly will also require Regulator (FCA) approval. It is proposed to seek approval at the 2023 AGM and then formally request approval by the regulator, the FCA.
- 3) Between the 2023 and 2026 AGMs 2 trustees stand down or resign at each AGM or soon after and stand for re-election at the following AGM thereby re-setting the 9-year individual tenure.

This approach has been discussed with the NCLTN and the legality confirmed by Wrigley's Solicitors.

In the absence of new trustees and whilst it remains a priority to recruit additional trustees, the rule change (2) would appear to be the favoured solution. Approval for the rule change will be proposed to the membership at the 2023 AGM and, if formally approved, an application for the change submitted to the FCA.

In the event that the proposed rule change is refused, then option 3 should be considered prior to the 2024 AGM.

In addition, Rule C17.8, which deals with ongoing membership following a Trustee leaving the Trustee Board, has also been identified as being no longer required. It is proposed to also remove this rule with formal membership approval at the 2023 AGM.

Having identified that four Board members have in the past been subject to this, the Board voted unanimously to retroactively to confirm their continued membership of the CLT.

## **Item 7.**

The Chair (RS) summarised the recent Trustee reviews which were carried out since the previous board meeting. The key points were:

- Information – varied response from the Trustees with some stating that the level of information was not enough and others stating that it was excessive.
- Tasking of Projects- this should be more focused in future and should rely on Trustee initiative and if any doubt arose, then individuals should confirm the requirement.
- All Trustees were of the opinion that additional Trustees were required and one suggestion was that trustees of a professional level from outside such as ECDC, Ely Diocese should be investigated.

The Chair (RS) went on to present a restrictive covenant that the developer proposed to apply to the housing stock. This would prevent the parking of commercial vehicles which the Trust believed was a distinct disadvantage to tenants who required a van to carry out their job of work and proposed that this should be altered to “large commercial vehicles” in line with the Trusts’ tenancy agreement. Confirmation by Bellway is awaited on this.

Trustees were requested to consider the options of the Trust taking on the responsibility for visitor parking spaces, and SUDS subject to Anglian Water adopting the sub-surface infrastructure, as well as the landscaping within the Public Open Spaces agreement. This was agreed unanimously.

The Chair (RS) had requested prior to the meeting, that the Secretary contact the Trust’s auditor, Fordham Finance Group, to seek clarification on potential tax implications concerning the sale of the self-build plots and whether purchase and sale would constitute trading. FFG believed that for “one-off” trading it was unlikely to be outside the Charity trading rules but further legal advice will be sought.

The Chair (RS) informed the Board that Bellway were proposing an over-arching Residents Management Company (RMC) and Managing agent solution for the public Open Space Strategy yet again. A meeting with respective Solicitors is organised for 7 Jul 23 to revisit this proposal and simplify it.

## **Item 8.**

Trustees were requested to consider items for inclusion at the forthcoming ECDC liaison meeting agenda. Nothing specific was proposed.

## **Item 9.**

(L.Mc) presented a review of the subcommittee meeting on Renewables and PV panels. It was proposed that the tenants would have the benefit of the electricity generated by the PV panels whilst the Trust would receive funding from the SEG tariffs from each property which

would be ring fenced to provide funding for ongoing repair and maintenance of the renewable's infrastructure. The Trustees Board voted to approve unanimously.

The CLT office would now also be supplied with PV panels, and the CLT can consider the option of battery storage as a retrofit after office delivery.

#### **Item 10.**

The Chair (RS) updated the board on progress on the outstanding sales agreements. In general, most were close to completion with the agreement on management of the Public Open Spaces still to be agreed with the developer.

The CLT Office agreement was close to completion but the latest drawing revealed that the position of the Bin and Bike storage was not as agreed and relocation would be sought. In addition, the internal lighting on the plans was considered inadequate and improvement would also be requested. Bellway would be approached to amend it.

#### **Action: (RS)**

The sales agreement on the Allotments has been agreed and is ready to progress.

It was proposed that the Healthcare Building be moved to provide adequate parking provision. Agreed unanimously.

The sales agreement on CLT housing and the Self-Build plot sales was now completed.

#### **Item 11.**

The Board discussed the scheduling of the 2023 Annual General Meeting which has to be carried out before the end of September. Tuesdays seem to be the most convenient day for both Trustee availability and the availability of the preferred venue the Kentford and Kennett Village Hall.

It was proposed to schedule the meeting on 5<sup>th</sup> September at 1900 with a fall-back date of the 12<sup>th</sup> September if necessary. This was agreed unanimously.

#### **AOB**

1. Trustees were requested to attend the Bellway open event at the Kennett Village Hall on 4<sup>th</sup> July at 1700. The Chair (RS) asked if an e mail to the membership would be beneficial. All agreed that this would be a positive move.

#### **Action: (RS)**

2. On 7<sup>th</sup> July an event to commemorate the commencement of construction of the development is planned. A PR photoshoot will be followed by a get together of the various parties concerned and Trustees were requested to attend at the Village Hall at 1345 if available.

#### **Action: All**

3. (SM) asked if the Shared Ownership properties would be subject to a covenant on the resale price. The Chair (RS) stated that he would provide a copy of the draft Shared Ownership Lease to enable (SM) to research and clarify the issue.

**Action: (RS)**

There being no further business, the meeting was closed at 1828.

Frank Danks – KCLT Secretary.