

Kennett Community Land Trust

Trustee Board Meeting – Minutes – 20.03.24

Location: Zoom Virtual Meeting

Present:

Robin Swanson (RS)

Frank Danks (FD)

Paul Swanson (PS)

Susan Meister (SM)

Tim Foddy (TF)

Lynne McCallum (LMc)

Alison Rich (AR)

Apologies: Peter Johnson (PJ)

The meeting was opened at 1303 by the chair (RS) who welcomed all present and thanked everyone for their attendance.

Item 1.

Previous Meeting Minutes

The minutes of the previous Trustee Board meeting on 10.01.24 had been circulated to all Trustees prior to this meeting for review. Those minutes were reviewed and accepted, with a minor correction as a true record by all who attended. The minutes were signed accordingly by the Secretary on the behalf of the Chair.

Item 2

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. (LMc) declared an interest in Shared Ownership and Affordable Rental homes.

Item 3.

The Secretary (FD) presented a Membership Application for Associate membership to the board. The application was discussed and approved by a unanimous vote. The Secretary committed to advise the applicants and issue a Share Certificate.

Action: (FD)

Item 4.

- a) The Treasurer (TF) provided the latest financial information. The balance in the bank account is currently £7151.57 with £21.03 in petty cash. This includes ECDC grant funding of £2500 provided to cover Registered Provider application.

- b) The Chair advised that following further discussion with Triodos, the primary funding source previously identified, there were concerns about using all 30 CLT houses for phase 1 in the funding model. . As a result, the funding model has been changed to cover the initial four housing units scheduled for August only to reduce the possible impact of Non-Utilization Fees and other bank and Solicitor's charges. In order to meet the 125% Service Debt Ratio (SDR) requirement. the financial model has now been modified to cover funding for 3 Affordable Rent houses and 1 Shared Ownership which will meet that SDR. The options identified were either:
 - A 50% Shared Ownership equity with a lower level of Affordable Rent.
 - or
 - A 40% Shared Ownership equity with a higher level of Affordable Rent.

The Board voted to in favour of the 50% equity - lower rental model by majority vote. LMc did not vote on this item.

Item 5.

The three Trust Officers attended a Delivery Board meeting on 15th March at the PGH offices in Fordham. It was advised that the practical completion of the first four is now scheduled for August instead of July. The actual date in August was not yet available. The deadline for exchange of contracts has also been revised to April from March.

Clarification on any potential compromise to NHBC warranty by retrofit work was sought as previously the developer had stated that retrofit work would "void" the warranty. This was a cause of concern as all of the "future proofing" designed for the Trust's properties would be carried out on a retrofit basis. The Trust, following research into the issue, stated that retrofit work should not compromise warranty as long as it was carried out utilising NHBC

standards and competencies. Communication with NHBC and a robust Risk Analysis would also be necessary. The developer agreed that this approach would be satisfactory.

The Trust members expressed disappointment over the developer's specification on the installation of Photo Voltaic Arrays as only 2 low output PV panels would be provided. It was obvious that additional panels would have to be retrofitted to ensure that the Trust's ambition for both power and tenant economic economy were to be realised. The developer was requested to provide information on both the capacity of the provided inverters and the roof infrastructure to enable additional units to be installed.

Confirmation was requested that access and disturbance to both the Trust's first four houses and the school would not be compromised by ongoing construction. Bellway confirmed that delivered houses and their access would be securely fenced off.

The developer advised that their Sales Office would now be opened in May and not April and that a meeting with their Sales representatives would be scheduled for 26th March at PGH Fordham attended by Bellway, Ashberry KCLT and PGH.

Consultation on the traffic modifications at the Bell Inn junction continues and was awaiting further input from Suffolk Highways.

Item 6.

This item was covered earlier in item 4.

Item 7.

An update on the Technical Build Aspects was presented by (LMc).

Specification drawings received from Bellway detailed differing specifications and layout between the Trust's AR and SO houses. As there is no difference between the Trust's properties, Bellway were requested to provide the correct drawings.

Upgraded smoke detectors have been offered. Technical specifications have been requested.

The SAP calculations have yet to be provided.

The pouring of green concrete for the next four foundations was witnessed by (L.Mc) and were described as first class.

Extra-Over cost reduction due to the non-installation of Rain Water harvesting would now be requested from the developer.

Item 8.

(TF) advised that there was now a delay on the availability of the allotments due to the delayed start on the Ashberry area of the development. The time frame is currently uncertain. The actual timing for completion remains uncertain.

AOB

Shared Ownership tenure and equity share on future sale had been carried over from the previous meeting. Further investigation into this area had been carried out by (L.Mc). Detail of a BBC Panorama documentary on the subject and available on the BBC I Player was a recommended source of information which had been reviewed by (SM) and an overview from her was provided and is inserted below in italics:

Shared Ownership

From experiences, what comes across is that would be purchasers need to do thorough research to see if it is a good fit.

- 1. Service charges, what they include, possible increases.*
- 2. Length of lease, although this should no longer be an issue if everyone conforms to the 990 years prescribed by government guidelines.*
- 3. Building defects and repairs. NHBC should cover most eventualities but experience shows this is not always the case.*

Where the houses have been built by a developer, there have been issues that the developer will not take responsibility for a problem, nor NHBC and the homeowner has had to pay 100% of the fees.

Apparently because the homes were not built by the CLT for instance then the Trust may not be able to insist that the developer rectify a fault.

Seems an odd one but it was checked by an experienced company and the wording is that the developer should address the issues 'to the best of their ability'. Vague to say the least, with the Trust having to deal with Bellway; this should be flagged up as something that needs to be addressed and put in writing.

A clear line of communication and demarcation to be established to prevent future issues.

The overriding message would be that Shared Ownership tenants need to do thorough research and deal with any issues that are not clear before proceeding. Home owners can use their solicitors to clarify points they do not understand. Obvious but not everyone has the confidence to push this without prompting and reading the small print.

In addition, the subject of Crowd Funding had been researched by LMc and the following points were highlighted

1. A lot of work is required prior to getting started on this type of funding.
 2. Registering with a website or platform is necessary to get results, and costs are involved.
 3. Success hinges on engagement levels; again, a lot of time and resources are needed to fulfil this obligation.
 4. There is the possibility of negative publicity and damage to reputation should the goal not be reached
 5. According to online comments, confidentiality, security and communication between parties are an issue.
- (L.Mc) requested indication of likely rental values and an indication of the site management fees. The Chair stated that the Management fees would be set at £90 per annum and committed to provide rental values.

Action: (RS)

There being no further business, the meeting was closed at 1355.

Frank Danks – KCLT Secretary.