

Kennett Community Land Trust

Trustee Board Meeting	Venue: TEAMS	Date 30.03.26 @ 1300
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Requested attendees: All Trustee Board Members.

Agenda

1. Trustee declaration of interest (FD)
2. Previous meeting minutes (FD)
3. RP Application (DW)
4. Treasurer's Bank Account update (TF)
5. Financial status update (NA)
 - a. Review of Management Accounts and Narrative to Feb 26
 - b. Working Capital Review (5 Year Forecast)
 - c. Discussion on Stressed Scenarios (Interest rate rises)
 - d. Discussion on Mitigation Tactics (Slow sales, diluted prices)
6. Review of Risk Management Policy
7. Housing Administration Manager (website improvement, consumer standards)
8. Discussion on Phases of Expansion including Self-Build (Viability)
9. Snagging

AOB



Minutes of Board Meeting 30th March 2026

Attendance:

Robin Swanson, Chair
Frank Danks, Secretary
Alison Rich
Susan Meister
Tim Foddy, Treasurer
Lynne McCallum

Apologies:

Paul Swanson
Scott Horsley

Item 1

Declarations of interest - RS if required for Item 9

Item 2

Minutes of the previous meeting (Jan 2026) declared as accepted and signed

Item 3

Debbie Wildridge explained progress with the application for Registered Provider status with the Regulator of Social Housing. Thorough response to letter from administrator drafted to be sent on 31st March. Includes 20 supporting documents and explanatory notes. Emphasis on funding agreements, financial implications, recognizing risks to the scheme and examining mitigation.

Item 4

Treasurer's update on bank account. Current account is £220,671.51. Deposit £458,249.96
Large majority of deposit account to cover loan to ECTC noted.

Item 5

Nigel has recently been to visit Triodos on behalf of KCLT in London. Thanks to him and Debbie for their help.

Finance manager for ECTC. Nigel Ankers presented February management accounts and accompanying commentary, including covenant compliance and financial risks and mitigation.

a) Management Accounts:

Profit and loss account headline year to date to end of Feb £305,000 surplus. Majority due to sale of shared ownership properties. (£260k down to shared ownership). Showing split profit between exceptional (one off) and normal to show the underlying profit (basic business) - generating £40k of profit in line with expectations. £265k profit from part sales of shared ownership equity. Large amounts of legal fees, bank charges etc. are in exceptional charges. Small amount of legal fees may be incurred in future as normal costs.

LM joined the session

Balance Sheet: £1.6m in buildings - rented buildings at full cost and any remaining shared ownership equity. Cash at bank at end of Feb circa £492k. Small amount of debtors: tenants' deposit at the deposit service, corresponding amount in credit line together with £500 retention held on each plot for Bellway.

Creditor loans: ECTC and two loans with Triodos on first 4 properties. Split into one interest only loan over 10 years, one a 25-year capital and interest loan.

Net asset position for KCLT at end of Feb of a solid base of £309k.

Net service cover required by Triodos, must be equal to or over 1.25 times profit. Profit stated as EBITDA (earnings before interest, tax, depreciation and amortization).

NA did two calculations: 1st calculation on first shared ownership sales (huge impact on overall number - 1300%) and 2nd strips out profit on equity sales then underlying EBITDA shows 1.3 times.

Cash forecast April 26 - March 28.

Rents: allowed for 3% increase from April 2027 (estimate). Rents are CPI + 1%. No allowance of the £90 from management charges for open space included (need to understand how many there will be over coming months) but have included the costs for ECTC ground maintenance. Cash flow will only improve over coming months. In income there are also some large inflows resulting from loan receipts from Triodos which will match up with capital costs to pay to Bellway and repayment of the loans to ECTC.

Normal repayments of loan values with new loans starting in May and June.

Meeting with Triodos - suggestion of August realistic for the start of the third loan. ECTC will be able to fund any time difference between the Triodos loan being available and the purchase of the properties from Bellway.

Split cash flow between exceptional and normal. Slight income - normal cash generated apart from last month where the grounds maintenance costs are posted. On this basis the trust would be £100k in the bank by the end of End March 28 which is a great improvement on the last figures produced. This is due to £398k from s.106 against an original forecast of £300k.

Question RS: is the 1.3 times a reflection of lower interest rates? Answer: No, it is because KCLT are not paying interest on loans at the moment to ECTC. Fixed interest rate on loans so there will not be any change for a while.

Question AR: are there incidental costs included in the figures? Answer: these management accounts are backward looking but accounts presented to Triodos and forecast for rest of

financial year will show actual and forecast for the rest of the year with a budget line for unknowns.

b) Working Capital Working Capital Review (5 Year Forecast) done on a month-by-month basis for first 3 years and then by year. Rents as they currently are with increase in 2027 of 3%. Income from loans matches up with acquisition costs in expenditure. Allowed sum for office clerk and £500 year for maintenance year 2. Healthy cash balances throughout the period. 5 years forecast everything looks healthy including paying out loans from ECTC. Year 5 closing cash balance of £300k.

Includes paying ECTC initially from the Triodos loan, a balance of £75,000 left for ECTC. £25K to be repaid in March 2027 repayment £50,000 March 2028 assuming the forecast accurate. ECTC accept this and will not be asking for repayment. Repayment may be earlier.

*RS Question: the management fee of £90 + CPI for following years, takes into account the s.106 offset of £398k. How is this shown in the forecast? It was agreed some would be used for other things and just want to be sure there is no deficit on management fee side? Answer: Allowed £300k to offset the next amount of borrowing so KCLT will be left with £98k. Quote for £8000 plus VAT per annum for estate management charges. **NA to build spreadsheet showing how many £90 are due, work out the income over next few years and track how long the £398k will last. This will be added to the management accounts each quarter.***

RS: There will be other tranches in the future which may have further s.106 monies but just want to be confident if a tranche of land is without s.106 the CLT are not left with a large deficit.

c) Stressed Scenarios Triodos and RSH want to check on stressed scenarios.

The 1.25% ratio mentioned under **debt service cover** is to make sure should interest rates rise there is enough money in the model to cover that. 1% of increase in rents generates £3k of additional income but 1% increase in interest costs £28k per annum if interest rates rise rapidly. Regarding the stability of the trust, an element of cushion is in the ratio - 3% before going into deficit although the covenant would be broken. There may be further income coming from s106, there is no allowance for income from the self-build plots.

RS: Our biggest threat currently is probably from interest rate rises and it is likely to happen. When we go for drawdowns we go for fixed interest rates for 3-5 years which is really important.

d) Mitigation: On the drawdowns the first 12 months are interest only as designed with Triodos. Model allows 4 months for shared ownership sales. 12 months before capital repayments are due which gives flexibility for properties taking longer. Also allows lining up of potential tenants/owners. Sales prices were estimated at 35% minimum equity sale. The average is running at 38.2%. It could drop to 25% in the model.

RS: last one was 32% but another was 40% and one was 35%.

Item 6

DW: outline of risk management which needs to be reviewed for changes or additions.

A review of the risk management policy and existing risk register highlighted the risks of maintaining financial stability and probity as previously discussed as the major risks to date. Receiving regular financial reports with a commentary on changes to risk, covenant breaches and cash flow variations will help to keep track. Discussion in Item 9 on tenant satisfaction below.

FD: Set a standard agenda item with review of risk assessment, accounts and commentary. Set for 4 times a year with further meetings as required.

Decision: To produce Board meeting calendar and agenda with standard review items

Item 7

Appointment of Housing Administration Manager - roles and responsibilities. Appointed Eliza Klopotoska for 3-month contract (15 hours a month) to set up a new website, set up the new CLT computer to be uploaded with all documents being held individually by Trust members, KCLT policies and procedures, minutes of Board meetings etc. **Board to input thinking on what is required for the website. AR & LM to contribute.** Another candidate interviewed might be a longer-term solution once the IT tech is in place.

Item 8

Discussion on Phases of Expansion including Self-Build (Viability). The Board would like to explore if there are enough applicants for self-build plots.

LM suggestion of advert in the Build It magazine.

One member of KCLT joined specifically to be eligible for the self-build plots available in July. Discussion on the potential capital gains tax of between 18% - 24% on profit between purchase price of £1 and any sales.

LM: The shape and size of plots are not premium but generally plots are not readily available, especially at lower prices.

They would be open market sale as they were additional to s.106 and not deemed necessarily 'affordable' plots.

AR: Management fee for open spaces would apply? Answer: yes.

Decision: wait for idea of interest and response to advert before making any further plans.

Advertise to all CLT members. Check s.106 for restrictions on sale.

Item 9

Snagging arrangements. A discussion on the potential confusion between snagging inspection and pre-handover inspection resulted.

LM expressed her views on a recent letter received with an offer from ECTC of using the KCLT Housing Manager to do snagging in future with a trustee in attendance.

Feedback from SM (unable to use her microphone) shows that there are snagging issues which have been reported

Trustees were encouraged to look for a practical solution with limited finance to employ clerk of works to do the snagging. Trustees are volunteers and not always available so two trustees are suggested.

Proposal: Housing Manager to do the snagging with PS, but LM to stand in if PS not available, to act as independents.

FD: SM has been collating information from her visits to the tenants and shared with the Housing Manager to resolve

Decision: Housing Manager to do snagging with PS/LM. SM to work with Housing Manager to resolve issues and collate snagging information. A report on the CLT computer can be available for all trustees to review should they wish.

Item 10

AOB

TF: is there any news on the pond? RS spoken to Midas (infrastructure) - they need to finish roundabout and perimeter road and then will turn to the pond problems. Octopus SEG provider - no readings taken for 2 of the shared ownership houses.

Susan collated information on problems with tenant snagging - admin clerk to produce digitally.

Meeting closed: 14.08