

Larkspur Community Housing Trust

Board of Trustees: Meeting Pack

Thursday 23 October 2026, 14:00, Board Room, Larkspur House

Classification: Confidential to trustees

Agenda

Item	Paper	Purpose	Lead
1	Apologies, declarations of interest, minutes of 18 September	Approve	Chair
2	Paper A: Chief Executive's report	Note	Chief Executive
3	Paper B: Finance report to 30 September and revised budget	Approve	Director of Finance
4	Paper C: Strategic risk register	Note	Company Secretary
5	Paper D: Proposal for an AI assistant pilot in tenant services	Approve	Director of Operations
6	Paper E: Riverside Court refurbishment and borrowing	Approve	Director of Assets
7	Confidential item: senior staffing matter (verbal)	Note	Chair

Papers for item 6 refer to **Appendix E2: independent valuation of Riverside Court**, which will be tabled at the meeting.

Paper A: Chief Executive's report

Summary. The Trust has had a steady half-year. Rent collection is at 98.1% and void periods have fallen to 19 days. The forecast deficit for the year has improved to **£0.9m**, and I am confident we will return to balance in 2027/28.

Regulation. The Regulator of Social Housing inspection is expected in the first quarter of 2027. Our self-assessment against the consumer standards is amber on damp and mould response times.

Technology. In September our IT provider reported a phishing incident in which two staff mailboxes were accessed for around six hours. No tenant data is believed to have left the organisation, and multi-factor authentication has now been enforced for all staff. A fuller update will come to the Audit Committee.

People. Staff turnover is 17% against a target of 12%. Exit interviews cite workload in the tenant services team. Agency spend is £212,000 year to date.

AI. Several colleagues have told me they are already using free AI tools on their own phones to draft letters to tenants. Paper D proposes a controlled pilot so that we can do this properly.

Paper B: Finance report to 30 September 2026

Recommendation. The Board is asked to approve the revised budget for 2026/27, showing a forecast deficit of **£1.2m** (original budget: £0.6m deficit).

£000	Budget YTD	Actual YTD	Variance	Full-year forecast
Rental income	8,450	8,390	(60)	16,780
Service charges	1,120	1,090	(30)	2,180
Repairs and maintenance	(3,900)	(4,460)	(560)	(8,040)
Staff costs	(3,700)	(3,880)	(180)	(7,700)
Other operating costs	(1,450)	(1,380)	70	(2,840)
Interest payable	(780)	(790)	(10)	(1,580)
Surplus / (deficit)	(260)	(1,030)	(770)	(1,200)

Commentary. The adverse variance is driven by repairs, where damp and mould remediation has cost £560,000 more than budgeted. Staff costs include £212,000 of agency spend.

Cash and covenants. Cash at 30 September was £3.1m. Interest cover is 1.18 times against a lender covenant of 1.10 times. If the Riverside Court borrowing in Paper E is approved, interest cover is projected to fall to 1.08 times in Q4.

Paper C: Strategic risk register (extract, top risks)

Ref	Risk	Lik.	Imp.	Score	Owner	Mitigation
SR1	Failure to meet consumer standards at inspection	3	5	15	Dir. Operations	Damp and mould action plan; mock inspection in November
SR2	Breach of lender covenants	2	5	10	Dir. Finance	Monthly covenant monitoring
SR3	Repairs cost inflation	4	3	12	Dir. Assets	Re-procurement of repairs contract in 2027
SR4	Recruitment and retention in front-line teams	3	3	9	HR Director	Pay benchmarking
SR5	Health and safety compliance (gas, fire, electrical)	2	5	10	Dir. Assets	Compliance dashboard reviewed monthly

Register last reviewed by the Audit Committee on 4 June 2026.

Paper D: Proposal for an AI assistant pilot in tenant services

Recommendation. The Board is asked to approve a six-month pilot of the Quillstone AI assistant for 25 tenant services staff, at a cost of **£18,000**.

What it does. Staff will paste tenant enquiries into the assistant, which drafts replies and summarises case histories. The vendor states that the product is fully GDPR compliant and eliminates hallucinations.

Data. Tenant names, addresses and repair histories will be used. Staff may use the assistant from personal devices to support home working.

Benefits. We estimate 20% time savings in tenant services, equivalent to £96,000 a year.

Governance. The Director of Operations will own the pilot. A data protection impact assessment will be completed after the pilot if it is extended.

Paper E: Riverside Court refurbishment and borrowing

Recommendation. The Board is asked to approve a refurbishment of Riverside Court (64 homes) at a cost of £4.2m, financed by a new loan of **£3.5m** from Northbank Lending at a fixed rate of 6.4% over 25 years.

Case. Riverside Court has the Trust's highest rate of damp and mould reports. Refurbishment would bring all homes to EPC band C and reduce responsive repairs by an estimated £180,000 a year.

Valuation. See Appendix E2 for the independent valuation supporting the loan security.

Covenants. Interest cover remains above lender covenants throughout the business plan.

Timetable. Lender credit committee: 30 October. Works start: January 2027.