



**Minutes of the Annual General Meeting
of Broadland Housing Association Limited
held on Friday 21 September 2018 at 10.00am
at Top of the City,
Norwich City Football Club,
Carrow Road Norwich NR1 1HU**

PRESENT:

**Tenant Shareholding
Members:**

Audrey Beaulieu
Brenda Harris
Colleen Lee
Ida Innes
Joyce Kerrison
Richard Headicar
Mo Peddle
Terry Peddle
Howard Page
Ivone Calonga

**Non Tenant Shareholding
Members**

Darryl Smith
Jean Haddow
Jenny Manser
John Smith
Jon Boon
Martin Miller
Peter Hargrave
Philip Nicholson
Susan Came
Anthony Hudson

Board Members:

Jon Barber
(Independent Board Member)
Sam England (Tenant Board
Member)
Chis Ewbank - Chair
Helen Skoyles (Independent
Board Member and Broadland
St Benedicts Board Member)
Kate Slack (Independent
Board Member)
Paul Slyfield (Independent
Board Member)
Gavin Tempest (Independent
Board Member and Broadland
Meridian Chair)
Siobhan Trice (Tenant Board
Member)

BHA Staff:

Mark Carney (Systems
Director)
Stephen Codling (Housing
Team Leader)
Stephani Davis (Senior
Housing Manager)
Katie Docherty (Housing
Team Leader)
Julian Foster (Executive
Finance Director)
Kelly Harris (Head of
Repairs)
Antony Hedges (Head of
Digital Engagement)
Catherine Little (Executive
Housing Director)
Sarah Lovelock (Housing
Team Leader)
Linda Moss (Executive
Assistant/Committee
Manager – minute taker)
Michael Newey (Group
Chief Executive Officer)
Justin O'Connor – Head of
Asset Management
Andrew Savage
(Executive Development
Director)
Gavin Skidmore (Finance
Controller)
Sarah Wyatt (Company
Secretary)

Others:

Andrew Groat (BDO LLP)

1.0 CHAIR'S WELCOME

1.1 The Chair welcomed shareholders to the 55th AGM of Broadland Housing Association.

The Chair stated that the AGM is an opportunity to get the various elements of the Broadland community together – shareholders, the members of the Board and the Broadland team. The Chair stated that he is delighted that we have a good representation of shareholders here including quite a few tenants, those involved in local organisations and some past board members. We also have 9 of the 10 members of the Board here as well as senior management of the Broadland team.

The Chair stated that the AGM is also an opportunity for us to convey to everyone how things are going at Broadland, both in terms of performance over the last year, and in terms of issues and challenges facing the organisation. But the AGM is also an opportunity for shareholders to ask questions. Shareholders should feel free to ask any questions they may have on the Financial Statements or other agenda items and we will do our very best to answer them. If we can't provide a full answer on the spot, we can take the question away and get back to you. However, if anybody has any questions they would like to raise more informally outside of the meeting itself then feel free to do so at the end, as there will be an opportunity to mingle once the meeting itself is over.

The Chair stated that in terms of the agenda for the meeting, it broadly splits into two sections. In the first part of the meeting, we will run through the formal items of business, such as receiving various reports and appointing auditors. That formal business would normally include appointments to the board however, as the Company Secretary has already mentioned, there are no retirements from or election to the board required at this meeting, so the formal business will be slightly less than at a typical meeting. The second section of the meeting will be a presentation by Michael Newey, Group Chief Executive, who will be giving an update on BHA's performance since the last AGM, and some of the issues we face as an organisation going forwards.

2.0 APOLOGIES FOR ABSENCE

2.1 Apologies for absence were received and **accepted** from the following the following shareholders:

Colin Andrews	John Ferguson	Tim Townshend
Shelagh Andrews	Heather Ferguson	David Potten
Johan Snijders	John Fincham	Barbara Searle
Jeff Hart	Moll Robb	Phillip Chambers
Carol Hart	S Earrye	John Willimott
John Seach	Denise Newman	Colin Barrett
David Lathangue	Robert Rodgers	George March
Julie Lathangue	Mrs Choongo	Laura McGilvray
Gareth Trice	Christopher Trenerry	Alison Inman
Michael Jordan	Lynda Trenerry	Richard Utting
Charlotte Williams	Dennis Lynch	Richard Petty
Mike Williams	Eric Sharpe	Eileen Day
Helen Denton	John Rest	Jenny Matthew

John Foulke
Sheelagh Foulke

Malcolm Gee
Jim Wilson

Nick Price
Bernard Godding

3.0 MINUTES OF THE ANNUAL GENERAL MEETING HELD ON WEDNESDAY 27 SEPTEMBER 2017

The minutes were signed by the Chair as a true and accurate record of the meeting.

4.0 RECEIVING OF THE REPORT OF THE BOARD FOR THE PERIOD ENDED 31 MARCH 2018

4.1 Proposed Resolution

‘That the Report of the Board of Management for the period ended 31 March 2018 is hereby received.’

4.2 The Chair gave a brief overview of the Report of the Board:

The BHA Board is the governing body of BHA and the wider Group. We currently have 10 board members including Michael Newey, Group CEO and two tenant Board Members. Board meetings take place roughly every 8 weeks and the Board holds an annual away day which board members from subsidiary boards also attend to discuss the strategic direction of the Group.

The Board has two main committees to which it delegates authority to deal with certain matters. These are Group Audit and Risk Committee which oversees our risk management and internal controls framework and Group Remuneration and Membership Committee which reviews Board and staff remuneration, oversees the board recruitment process and approves shareholding applications. There are also separate boards which govern BHA’s subsidiaries – Broadland Meridian, Broadland St Benedicts and Broadland Development Services.

The report contains our VFM statement. The details of how we strive to achieve VFM, how we measure VFM and how well we do, compared to other housing associations can be found in the report. However, the Chair stated that it is worth emphasising that VFM is a key element of BHA’s corporate strategy and is a consideration in every decision the Board makes. It is not just about reducing cost, but also finding ways to use our resources more effectively to improve services to tenants. The Board monitors and scrutinises key financial and operational performance indicators as well as performance against strategic objectives to ensure the Association is delivering on its promise to achieve economy, efficiency, effectiveness and equity in all we do. The Board will continue to work in collaboration with the Executive Team to ensure that VFM underpins everything we do at BHA.

The Chair stated that he would like to say a few words on one other important element of the report which was a key milestone for the organisation this financial year – namely the In-Depth Assessment undertaken by the social housing regulator. BHA is pleased to have retained its G1 rating for governance. This rating reflects the strength of the Board in terms of skills and experience around the board table and the Board’s ability to effectively challenge the Executive Directors. It also reflects the Executive Team’s ability to respond proactively and positively to the Board’s challenge and scrutiny and provide the Board with relevant information. The regulator’s regrading of our viability rating to V2 is a reflection of our development

ambition. It is important to state that this is not a down grade and we remain completely compliant with the regulator's standards. The regrade reflects our current development ambitions and the challenges around building homes for sale on the open market through our commercial subsidiary to generate funds that enable BHA to build new social homes. A V2 rating is now seen as pretty typical for Housing Associations with these kind of development programmes.

The Chair invited Members to receive the Report of the Board of Management for the period ended 31st March 2018.

4.3 There were no objections; hence the report of the Board of Management was duly **received** by members.

5.0 RECEIVING OF THE AUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

5.1 **Proposed Resolution**
'That the audited Financial Statements for the period ended 31 March 2018 are hereby received.'

5.2 The Chair handed over to the Executive Finance Director and Mr Barber, Chair of the Group Audit and Risk Committee, to give an overview of the Financial Statements.

The Executive Finance Director stated that this year's financial performance shows a reduction in net surplus to £2.3m for the Group following the large increase in £3.3m reported in 2017. The main reasons for this reduction were the rent reduction of 1%, increased investment in property repairs together with additional provisions for tenant arrears and sundry debts. Last year's surplus benefitted from some cost underspends which we did not see repeated to the same extent this year.

Our attempts to improve financial efficiency through procurement and better use of technology continue and are reflected in the new value for money performance metrics we have published for the first time this year.

Our reserves position has increased over the year from £18m to £21m while the cash position increased from £14m to £32m as a result of our first capital markets issue through a private placement which has raised £20m so far with a further £30m to come over the next year. This will finance our development aspirations particularly at Canary Quay. The terms of the new funding are for a period lasting 35 years and an interest rate of 3.64%. As a result of the private placement our loan portfolio increased from £141m to £159m but now reflects a portfolio which is no longer totally dependent on the banks for future long-term funding.

We remain in compliance with all our loan covenants. Reflecting this change our overall cost of funding has reduced from 4.42% to 4.01% over the course of the year and is reflected in the significant reduction in funding costs in our Income Statement. The results for Broadland Housing Association mirror those for the Group and the Executive Finance Director stated that he will not review these in any detail, since the subsidiary activities are quite modest in financial terms at this point in time, although will change significantly in the coming year with the first open market sales completing in recent months.

During the current year we are experiencing a significant pick up in development activity in response to the development aspirations included in the strategic report. The Group has strengthened its liquidity considerably over the last year in preparation for the further development it is taking on in responding to the housing shortage in this country. The Executive Finance Director passed over to Jon Barber, chair of the Group Audit & Risk committee.

Mr Barber stated that the role of the Group Audit and Risk committee during the year has continued to be one of scrutinising the internal control and risk management frameworks put in place by the executive team to confirm the integrity of the financial statements. Key elements of this process have included monitoring both the internal and external audit processes and challenging the process for assessing and mitigating risks across the Group's activities.

This year continued the process commenced in 2016 to review management assurance statements prepared by the executive team in respect of their areas of operation which strengthened the accountability of the executive team and this year also included the rest of the senior management team. The conclusion of this work is expressed in the Board statement on the "Assessment of the effectiveness of internal control" on pages 19-20 of the financial statements, which acknowledges the Board's responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. We do this by reviewing those controls and risk management processes throughout the year including risk management exceptions which indicate where controls and processes can be improved. We confirm that we have identified no control or risk exceptions which are expected to materially impact on the results and disclosures in the financial statements which are before you now.

5.2 The Chair invited members to receive the audited Financial Statements for the period ended 31 March 2018. There were no objections; hence the proposed resolution was passed, and the audited financial statements were duly **received** by members.

6.0 RECEIVING OF THE REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

6.1 Proposed Resolution

'That the Report of the Independent Auditor on the Financial Statements for the period ended 31 March 2018 is hereby received.'

6.2 The Chair invited Andrew Groat of BDO LLP, the Association's independent auditor, to comment on the report.

Mr Groat confirmed that it is a clear report and that he was satisfied with the narrative of the Financial Statements, which comply with applicable law. They are a true and fair view of the state of the Group's and of the Association's affairs and the surplus for the year.

6.3 The Chair thanked Mr Groat for his comments and invited members to receive the auditor's report on the Financial Statements for the period ended 31 March 2018. There were no objections, hence the proposed resolution was accepted, and the report was duly **received** by members.

Mrs Innes stated that she could not access the financial statements that were sent by email. The Chair stated that we would ensure that hard copies were sent to Mrs Innes next year.

7.0 APPOINTMENT OF THE AUDITOR FOR THE FINANCIAL YEAR ENDING 31st MARCH 2019

7.1 Resolution 'That Messrs BDO LLP be appointed auditor for the period ending 31st March 2019.'

The Executive Finance Director stated that BDO LLP were appointed as external auditors to the Group in 2014 following a tender process. We are proposing to conduct an audit tender exercise this year which will cover both the external and internal audit arrangements. Pending the result of that tender he proposed that shareholders should reappoint BDO LLP as external auditor for the time being. In the event of an alternative firm being recommended for appointment we would be asking BDO to stand down in the manner which has become customary in such tender situations.

The Chair proposed that shareholders re-appoint BDO LLP as auditors for the Association for the period ending 31st March 2019 and asked for:

- a proposer for the resolution – Gavin Tempest proposed a vote in favour of the resolution
- a seconder - Kate Slack seconded the proposed vote

The Chair invited a vote in favour of the resolution on a show of hands. 26 shareholders voted in favour. The Chair then invited a vote against the resolution on a show of hands. No votes were made. The Chair asked for any abstentions. There were no abstentions. The resolution was carried unanimously, and the appointment was duly **confirmed**.

8.00 GROUP CEO PRESENTATION

The Chair handed over to Michael Newey, Group Chief Executive who gave a presentation on BHA's performance since the last AGM and some of the challenges the organisation faces going forwards.

The presentation was **noted**.

9.00 OPPORTUNITY FOR MEMBERS TO ASK QUESTIONS TO THE CHAIR AND CHIEF EXECUTIVE

9.1 Mr Headicar stated that in relation to the new five developments, three of the developments included open market sales which seemed to him worryingly high.

The Group Chief Executive responded that unfortunately the level of government grant for new social or affordable rented homes is now inadequate to make schemes financially viable. We therefore now need to generate our own internal capital subsidies, which we do by building homes for sale within schemes. We would prefer to not have to do this, but even with the planned surpluses from open market sales,

the normal payback for a new affordable scheme is now close to 48 years. This compares with 30 years just ten years ago. We now also have to accept the risk of refinancing schemes, as we are unable to economically secure loans for 48 years.

- 9.2 The Chair thanked shareholders, and at 11.10 am declared the formal AGM proceedings closed.

Date: 20 September 2015.....Signature: .....

