



**Minutes of the Annual General Meeting  
of Broadland Housing Association Limited  
held on Friday 20 September 2019 at 10.00am  
at Top of the City,  
Norwich City Football Club,  
Carrow Road Norwich NR1 1HU**

**PRESENT:**

**Tenant Shareholding  
Members:**

Howard Page  
David Lathangue  
James Temple  
Jane Graham  
Julie Lathangue  
Patricia Peddle  
Richard Headicar  
Terrence Peddle

**Non Tenant Shareholding  
Members**

Barbara Searle  
Bernard Godding  
David Lee  
Jon Boon  
John Smith  
Martin Miller  
Richard Petty  
Jean Haddow

**Board Members:**

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

**BHA Staff:**

Alex Williamson (Head of  
Development Delivery)  
Andrew Savage (Executive  
Development Director)  
Alonso Sanchez (Senior  
Delivery Manager)  
Antony Hedges (Head of Digital  
Engagement)  
Barry Ashby (Head of  
Procurement)  
Catherine Little (Executive  
Housing Director)  
Ed-Mumford-Smith (Head of  
Development)  
Gavin Skidmore (Finance  
Controller)  
Julian Foster  
(Executive Finance Director)  
Justin O'Connor – Head of  
Asset Management  
Kelly Harris (Head of  
Repairs)  
Laura Baldock (Deputy EA and  
PA to Executive Finance  
Director – minute taker)  
Michael Newey (Group Chief  
Executive Officer)  
Rebecca Marr (Head of Internal  
Audit, Risk & Data Protection)  
Sarah Wyatt (Head of  
Governance & Group Company  
Secretary)

## 1.0 CHAIR'S WELCOME

- 1.1 The Chair welcomed shareholders to the 56th AGM of Broadland Housing Association.
- 1.2 The Chair stated that the AGM is an opportunity to get the various different elements of the Broadland community together – shareholders, the Board Members 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 the 9 members of our Board here as well as senior management of the Broadland team.
- 1.3 The Chair stated that the AGM gives us a chance to convey to everyone how things are going at Broadland both in term of performance over the last year and in terms of issues and challenges facing the organisation. He also stated that the AGM is 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.
- 1.4 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, appointing auditors and a new Tenant Board Member.
- 1.5 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, challenges facing the housing sector and some of the issues we face as an organisation going forward.

## 2.0 APOLOGIES FOR ABSENCE

- 2.1 Apologies for absence were received and **accepted** from the following 40 shareholders:

Alison Inman	Gillean Trappes-Lomax	Malcom Gee
Andrew Hill	Helen Denton	Martin Clark
Anthony Hudson	Henry Pickett	Mary Mitchell
Brenda Harris	Ian Fox	Mercy Choongo
Caroline Pickering	Ida Innes	Mike Williams
Charlotte Williams	Ivone Calonga	Nicholas Price
Chris Trenerry	Jenny Manser	Patricia Arnold
Colin Andrews	Jenny Matthew	Philip Chambers
Colin Barrett	John Newstead	Robert Rodgers
Darryl Smith	John Search	Sheelagh Foulke
Eileen Day	John Willimott	Shelagh Andrews
Fiona Anthony	Joyce Kerrison	Susan Carne
Francis Clifford	Laura McGillivray	Tim Townshend
George March	Lyn Trenerry	

2.2 Shareholders are advised that **10** proxy votes have been received the details of which are with the Company Secretary. However, in line with the Rules, proxy votes will only be counted in the event of a ballot being called.

### **3.0 MINUTES OF THE ANNUAL GENERAL MEETING HELD ON FRIDAY 21 SEPTEMBER 2018**

3.1 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 2019**

#### **4.1 Proposed Resolution**

**‘That the Report of the Board of Management for the period ended 31 March 2019 is hereby received.’**

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

4.3 The BHA Board is the governing body of BHA and the wider Group. We currently have 9 board members including Michael Newey, Group CEO and one tenant Board Member. 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.

4.4 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.

4.5 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 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.

4.6 The Chair stated that the report also contains statements about our governance. He mentioned that we continue to retain a G1 rating from our regulator, the Regulator for Social Housing, which relates to our Governance, along with a V2 rating, relating to the assessment of our Viability, which reflects the extent of our development programme

which Michael will talk about shortly, particularly homes for outright sale which understandably carries an increased degree of risk. On the governance side, we carry out an annual board effectiveness review and any improvements that are identified as being needed are recorded in a governance action plan and monitored by the Board. Every three years, we submit ourselves to an external independent governance review. This was undertaken by a very experienced firm called Altair and was completed in January this year. The review concluded that the governance infrastructure across the group was strong and the boards provide robust scrutiny and oversight. The review provided a small number of suggestions to enhance governance arrangements and these have been entered in the governance action plan and are being worked through. We certainly wish to avoid becoming complacent about our governance and we will regularly look at how we might enhance what we do in this area.

4.7 There was no vote required and the Report of the Board for the period ended 31 March 2019 was **received** by members.

## **5.0 RECEIVING OF THE AUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019**

### **5.1 Proposed Resolution**

**‘That the audited Financial Statements for the period ended 31 March 2019 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 Group net surplus to £2.0m with a further exceptional charge to income of £3.1m making a total deficit of almost £ (1.2) m. The reduction in ongoing income arises from the fourth year of 1% annual rent reductions imposed by the Government five years ago together with accelerated depreciation charges on housing components such as kitchens and bathrooms.

5.3 He mentioned that following our recent fundraising exercise we have carried a higher level of liquidity on the balance sheet in preparation for a growing level of development of new homes.

5.4 The further charges to income arise from changes in pension accounting rules together with the impact of the triennial actuarial valuation of our pension scheme. We have been considering the impact of the defined benefit pension arrangements for some time – most of the deficit is attributable to earlier parts of the scheme for staff who are already retired or who have left our employment. However, we have made the painful decision in the current year to close the remaining defined benefit elements of the scheme and to move all staff into a common defined contribution scheme with an enhanced level of employer contributions. In the long term this will reduce and eventually remove the impact of pension revaluations on our Income Statement. Much of the adverse pensions revaluation arises from reductions in interest rates. Those same reductions are also benefitting our forward projections for funding our new homes development programme and indeed over £40m of our debt portfolio is on variable interest rates which remain at

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

- 5.5 It is particularly pleasing to note that these metrics show an improving trend for the delivery of new homes which totalled 62 during the year and are forecast to be over 200 for the current year. Our reserves position has reduced over the year from £21m to £20m while the cash position reduced from £32m to £22m as a result of the pickup in development activity. As a result of last year's private placement our loan portfolio increased to £170m and 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. The results for Broadland Housing Association mirror those for the Group and I 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 significant open market sales complementing a large delivery of affordable new homes. The Executive Finance Director passed over to Jon Barber, chair of the Group Audit & Risk committee.
- 5.6 Mr Barber stated that in addition to our normal functions this year the Group Audit & Risk committee have been closely involved in the retender of our internal and external audit services. We are pleased to have appointed RSM as our external auditors and KPMG as our internal auditors. With these changes we have also carried out a valuable risk assurance mapping exercise using the three lines of defence model to look at the various levels of internal and external assurance which apply to our major risk areas. This exercise has been helpful in strengthening our awareness of risk mitigation and control across the Group. We have also approved a new three-year programme for internal audit following the new appointment.
- 5.7 Our core role 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 of reviewing management assurance statements prepared by the executive and senior management teams in respect of their areas of operation. This has strengthened the accountability of management for financial matters and other aspects of the control environment. 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 where we acknowledge 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.
- 5.8 There was no vote required and the audited Financial Statements for the period ended 31 March 2019 was **received** by members.

## **6.0 RECEIVING OF THE REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019**

### **6.1 Proposed Resolution**

**‘That the Report of the Independent Auditor on the Financial Statements for the period ended 31 March 2019 is hereby received.’**

6.2 There was no vote required and the report of the Independent Auditor on the Financial Statements for the period ended 31 March 2019 was hereby **received**.

## **7.0 APPOINTMENT OF THE AUDITOR FOR THE FINANCIAL YEAR ENDING 31 MARCH 2020**

### **7.1 Proposed Resolution**

**‘That RSM is appointed auditor for the period ending 31 March 2020.’**

7.2 The Executive Finance Director stated that RSM took on the role of external auditor to the Group in 2019 following an audit tender exercise that covered both the external and internal audit arrangements. Members are advised that BDO LLP stood down as external auditor in April 2019 as is customary in such tender situations.

7.3 The Chair proposed that shareholders re-appoint RSM as auditors for the Association for the period ending 31 March 2020. I now invite:

- Martin Miller proposed a vote in favour of the resolution
- Jean Haddow seconded the proposed vote

7.4 The Chair invited a vote in favour of the resolution on a show of hands. 22 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.

7.5 The resolution was carried unanimously, and the appointment was duly **confirmed**.

## **8.00 APPOINTMENT OF NEW TENANT BOARD MEMBER**

### **8.1 Proposed resolution**

**‘That Mr Andrew Hill is duly elected to the Board.’**

8.2 The Chair stated that following a recruitment campaign that attracted a good number of quality applications, Mr Andrew Hill was selected by an interview panel composed of board members as the successful candidate.

8.3 Unfortunately, Andrew is very sorry that he is unable to join us today due to the AGM clashing with his mother’s wedding. However, Andrew came along to observe our July Board meeting and is very much looking forward to commencing his duties as a fully-fledged member of the Board as of today.

8.4 There is no vote required for this item as under BHA’s constitution, therefore the Chair declared Andrew Hill to be duly elected to the Board.

8.5 The Chair thanked Samantha England for her service on the board as a tenant board member. Sam stepped down from this role in January 2019 when she ceased to be a BHA tenant, but we were pleased that she was able to attend a number of subsequent board meetings as an observer. The board would like to thank her for her contribution as a board member.

## **9.00 GROUP CEO PRESENTATION**

9.1 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.

9.2 The presentation was **noted** by Members.

## **10.00 OPPORTUNITY FOR MEMBERS TO ASK QUESTIONS TO THE CHAIR AND CHIEF EXECUTIVE**

10.1 Mr Richard Headicar thanked Mr Newey for addressing questions which Mr Headicar had submitted in advance of the AGM within his presentation. He asked if the following three points could be clarified:

- does 'near social rent' come close to actual social rent?
- What percentage of BHA's current portfolio of homes falls within the 'near social rent' category?
- Can you give 5 examples?

10.2 Mr Newey responded by clarifying that there is no obligation for housing associations to convert social rents to affordable rents and that BHA has decided not to go down that route. Other housing associations may have converted from social to affordable rents, but this might prove to be an unwise move.

10.3 There is pressure from Government to provide new affordable rent homes. If the Government doesn't change its policy, housing associations will be forced to change the risk profile of their business. Previously housing associations were counter cyclical in terms of the open market, but now that they are building homes for sale on the open market in order to fund their social housing programme, this is likely to have a knock on affect in terms of affordable housing.

10.4 Mr Savage, Executive Development Director, stated that 72 out of the 260 homes being built at Canary Quay are near social rent, this equates to 45 per cent of the rented homes being built there.

10.5 Mr Newey stated that there are reasons to be optimistic when considering the long term. In the long term, the Government cannot ignore the need for more social housing, just as it cannot ignore climate change. But in the short term, there is nothing in the Autumn Statement in relation to social housing and no progress on the Social Housing Green paper. The current Prime Minister's focus seems to be on home ownership. No one

knows what will happen in the medium term i.e. the next 3 months to 3 years, as our country is in a state of political flux and there is no ministerial attention being given to social housing.

- 10.6 Richard Petty, said that he was personally delighted to hear mention of BHA’s V2 grading from the Regulator in relation to Financial Viability as this meant that BHA was stretching its envelope to develop new homes. He asked what the response from funding partners had been and how far finances can be pushed?
- 10.7 Julian Foster, Executive Finance Director, responded that the regulator was clear that its V2 grading was attributed solely as a reflection of BHA’s market sales and published this in its findings. BHA’s board has fully supported the market sales initiative and communicated this to funders. There was plenty of interest as part of the private placement undertaken last year as we explained clearly how we manage the market sales portfolio. As such, the V2 grading has not affected investment. Banks continue to lend to us as well as non-bank lenders. BHA will go back to the Regulator after it has proved that that the open market sales programme has been successful and ask for the V1 grading to be reinstated.
- 10.8 The Chair thanked Members, and at 11.10 am declared the formal AGM proceedings closed.

Date: .....Signature.....