

The Hyelm Group

Title of Report:	Minutes of the meeting of the 89th AGM of Hyelm held on 23rd April 2016.
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Date, Time and Venue	Supporting Information	Decision or Agreed Action
Minutes of the 89 th Annual General Meeting of Hyelm held at noon on Saturday, 23 rd April 2016 at Hyelm – Old Street, 43 New North Road, London N1 6JB.	--	--
Members Present		
Clive Bastin Jeremy Batchelor Graham Briscoe David Buchanan	Keith Douglas Tunji Faleye Susan Parsonage Charlotte Paxton	Helen Taylor Howard Webb Patricia Whitehouse Mubina Willis
		Wayne Willis Paul Wilson Simon Wright
Others Present		
Sandra Bastin Phillip Lloyd	Gill Oman	Mark Sharman Joanne Slater
1. Apologies for Absence		
Rob Axford Rebecca Begej David Brown Patrick Buchanan Mark Cleere Ian Cobban John Collier Fred Cornell Mark Cotton	Gill Drew Michael Eddy John Fairchild Robin Fairfield James Gillies Arvinda Gohil James Harrington Richard Lorimer Peter Luff	John Lum Young David McGill Bruce McLennan David Mayfield Sylvia Mead Paul Orrett Robin Park Lisa Partington Chris Rose
		John Rowe John Sage George Stephens Martin Welch John Wilkinson Peter Wilsdon Ronald Wooldridge Norman Wootton Fred Wyatt
2. Chair's Introduction		
Susan Parsonage thanked those present for their attendance. She went on to give a review of the year to 30 th September 2015. It was noted that: o Introduction It had been a year of considerable progress, challenge and change. It was a year that saw us adopt a new and ambitious Strategic Plan for the three years to 2019, the aim of which is to help alleviate the ever-increasing demand for high standards of affordable accommodation and services in the capital for young people at the start of their careers, whilst preserving our special ethos, culture and values as an organisation. It was a year that saw us, in accordance with the first stage of our Plan, complete on the sale of our housing scheme in Hampstead with a view to using the sale proceeds to provide more contemporary, affordable housing for young people elsewhere in London.	--	--

It was also a year of excellent operational performance amid a changing and challenging political backdrop as well as being a year that saw us continue to become more outward reaching as an organisation, with further progress being made in raising our profile within the housing and charity sectors.

○ **Strategy**

Following the successful delivery of our previously adopted Strategic Plan for the three years to 2015, a considerable amount of time was spent discussing the strategic direction of our organisation for the next three years.

In addition to our consideration of the current economic and political climate, market research was undertaken to help inform the discussions that took place.

This work confirmed that there remained a considerable and growing demand for the type of accommodation and services that we provide.

The three key objectives of our new Plan are:

- Using the sale proceeds of our Hampstead property, to develop and provide high standards of contemporary, affordable, rented accommodation, facilities and services for a further 250 young people in two or more new housing schemes in great London locations.
- To continue to manage our existing operation in an efficient and effective manner during the development process and beyond.
- To promote positive, stable, safe environments in each of our schemes, ensuring that the sense of place and family and the supportive communities that we promote, which are so fundamental to what we do, are kept as we move from old to new.

○ **Arthur West House**

The sale of our Hampstead property, Arthur West House, completed during the early stages of the year in accordance with our adopted strategy.

A tremendous amount of work was undertaken, in particular, by our Director of Operations, Simon Wright, to ensure that vacant possession was delivered with no concerns arising, with support being given, where needed, to enable the residents of the scheme to find suitable alternative accommodation elsewhere.

○ **Development**

A specialist firm of Lead Development Consultants was appointed shortly before the sale to find suitable new sites on which to develop and to attend to all aspects of project management, thereafter.

Despite a very strong and challenging land market, more than 40 potential opportunities were subsequently identified for initial consideration. This followed a broadening of the criteria that we had adopted in relation to the size and location of sites that we were prepared to look at.

Deals have since been negotiated and we were now working towards exchange of contracts on two of these, further details of which on display in the AGM room.

○ **Group Structure**

Agreement was reached, in principle, with the Charity Commissioners during the year on the arrangements that will apply to Hyelm and Ames House in the financing and operation of our new developments.

Hyelm and Ames House will embark on the first of our new projects jointly from the outset. The two charities will be co-owners of the finished scheme. The precise extent of ownership will reflect the monies invested by each.

The legal title of the land will be held in the name of Hyelm for itself and as Trustee of Ames House. A restriction on title will record the percentage of the ownership that belongs to each charity.

It is anticipated that efficiency savings in the region of £15,000 per annum will be achieved in the operation of our new schemes as a result of this more streamlined approach.

<ul style="list-style-type: none"> ○ <u>Tax Efficiency</u> As is common practice within the housing association sector, an HMRC approved wholly owned subsidiary company, Arthur West House Limited, was set up during the year for tax efficiency purposes. Our new developments will be constructed in the name of the new company. The new company will then develop the schemes for sale to Hyelm and Ames House on a design and build basis. Any profits generated by the new company as a result of this trading relationship will be donated to Hyelm and Ames House in accordance with the gift aid scheme for charities. It is anticipated that VAT efficiency savings in the region of £500,000 will be achieved as a result of this new arrangement. ○ <u>Office and Communal Spaces</u> It is our intention, in accordance with our new Strategic Plan, to establish with our local authority planners the scope that there may be to provide additional accommodation at our Old Street scheme through extension to the property and/or through the conversion of surplus communal and office spaces. It is felt that this may now be possible due to recent changes in planning guidelines and precedents that have been set by a number of new high density housing schemes that have been built in the local area. In the meantime, we have rented out our surplus office space on a short-term basis to an established business, which produces holographic images for marketing and promotional purposes. The owner of the business is a former resident of Arthur West House. He very much shares the values of our organisation, employs two former members of our staff and runs his operation in accordance with the ethos that we promote. This new relationship generates additional income of £55,000 per annum for us. The owner has also agreed to donate £5,000 each year to help finance an organised programme of social and educational activities for our residents. ○ <u>Political Backdrop</u> The election of a new government led to considerable changes in the political backdrop during the year. New measures such as the extension of the Right to Buy scheme to tenants of housing associations, a requirement for social landlords to reduce their rent levels by 1% each year for the next four years, welfare reform and the classification of housing associations as public bodies combined to have a significant impact on the housing association sector. A considerable amount of work has been done to research and understand the implications of these changes. Our strong financial position, the affordability of our rent levels, the type of accommodation that we provide and the special nature of our charity have ensured, however, that the impact of these changes on the viability of our organisation will be minimal. ○ <u>Profile</u> Our Executive Management Team continued to raise the profile of our organisation by hosting sector events and by attending a variety of sector conferences, seminars and group meetings during the year. A close involvement was maintained, in particular, with the G320 group of smaller housing associations in London. New relationships were formed as part of the research that we carried out to support discussions on our new Strategic Plan with around 50 organisations that work with young people in the capital today. These included national and local employers, other housing providers, local community groups, training providers and government policy and research organisations. The considerable amount of work that was done by our Chief Executive, Keith Douglas, engaging with local authorities and other developing housing associations in our search for new sites further contributed to the strengthening of our profile during the year. ○ <u>Our People</u> Thanks are due to all of our staff, whose commitment and dedication were the keystones to another successful year. 		
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<p>Thanks are also due to members of our Board, each of who contributed a considerable amount of their time and effort during the year in the performance of their duties.</p> <p>o Summary</p> <p>Hyelm and Ames House have a very positive story to tell in relation to their performance, plans and the quality of the accommodation and services that they provides.</p> <p>Our development plans present a further exciting opportunity to expand the work that they do.</p> <p>We are confident that our charity remains well placed to meet the challenges of our development and other plans and of the particularly challenging economic, funding and political environments in which we now live.</p> <p>We are equally confident that, in the years to come, we will continue to make a real difference to the lives of those whom we set out to house by strengthening our position as a modern, dynamic, well run, financially sound and forward looking charity that closely involves, understands and responds to the needs of young people.</p> <p>Keith Douglas went on to inform those present that:</p> <p>o Susan has very recently been appointed as Chief Executive of Lancaster City Council. She would, therefore, need to stand down from the Board during the Summer as she would shortly have to relocate to Lancashire.</p> <p>o Susan had, however, agreed to remain as Chair to enable a full and proper hand over to take place between her and Vice-chair, Rebecca Begej.</p> <p>o The Board would discuss and agree succession arrangements for the role of Chair at its next meeting in June of this year.</p> <p>o Rebecca would act as Chair, in accordance with her role, until a successor had been appointed.</p> <p>The meeting joined is congratulating Susan on her new appointment and thanking her for her work and commitment as Chair over the previous three and a half years.</p>		
3. Previous Year's Minutes		
<p>The minutes of the 88th Annual General Meeting of Hyelm, held on 25th April 2015, were considered.</p>	--	Decision: The previous year's minutes were approved unanimously by those members present and by those members not present but voting by proxy.
4. Matters Arising		
<p>There were no matters arising.</p>	--	--
5. Annual Report, Financial Statements and Auditor's Report		
<p>Director of Finance, Mark Sharman, introduced the reports for the year ending 30th September 2015.</p> <p>It was noted that:</p> <p>o The accounts had been prepared in accordance with Financial Reporting Standard 102 and the new Statement of Recommended practice for registered landlords and, as a result, the format of the accounts had changed from that in previous years.</p> <p>o The accounts for the year to 30th September 2015, including the transition to the new financial reporting standards, had been audited by Grant Thornton and had received an unqualified opinion.</p> <p>o During the course of the year, we had met the financial and operational covenants that were set out in the facility agreement that we had entered into with Allied Irish Bank.</p> <p>o The surplus for the year reflected Hyelm's share of the surplus generated by the disposal of Arthur West House.</p>	--	Decision: The Annual Report, Financial Statements and Auditor's Report in relation to the year were adopted unanimously by those members present and by those members not present but voting by proxy.

<ul style="list-style-type: none"> o The underlying performance of Hyelm continued to be in accordance with our approved business plan. o The performance at our Old Street scheme continued to be in line with the facility agreement that we had entered into with our funders. o Our underlying costs remained broadly consistent year on year and were in line with our peer group of small housing associations. o Although the opportunities that had arisen in relation to the development of new accommodation were exciting, the Board and Executive Team remained keenly aware of the need to focus on delivering good value services to residents at our Old Street scheme. o During the year, we regularly re-tendered for the provision of goods and service to ensure that we delivered best value for money to the benefit of Hyelm, Ames House and our residents. o Both day-to-day and development expenditure would need to be closely monitored/controlled during the development process to ensure that we continue to comply with our various loan covenants and that suitable, affordable accommodation is delivered on time and within our financial capacity to do so. There will be little scope for overspends. o Hyelm and Ames House are in good financial health and have the resources that will be needed to embark upon the Board's adopted development programme. 		
6. Chair and Chief Executive's Review		
The review of the Chair and Chief Executive in relation to the year was noted.	--	--
7. Election of Members of the Board		
The recommendations in relation to elections to the Board were considered.	--	<p>Decisions: Rebecca Begej and Susan Parsonage were re-elected/re-appointed to the Board as Ordinary Members and as Vice-chair and Chair, respectively, for a second term of three years by those members present and by those members not present but voting by proxy. Unanimous decision.</p> <p>It was noted, once more, that the Board would identify and appoint a successor to Susan on her departure from the Board during the Summer.</p> <p>Graham Briscoe was re-elected/re-appointed to the Board as an Ordinary Member for a second term of three years by those members present and by those members not present but voting by proxy. Unanimous decision.</p>
8. Appointment of Auditors		
<p>The recommendation in relation to the re-appointment of our external auditor was considered.</p> <p>It was noted, however, that::</p> <ul style="list-style-type: none"> o Grant Thornton had recently advised us of its intention to stand down from its role during the course of the forthcoming year as the fee that it received for its audit work was no longer profitable. o Grant Thornton would remain as our external auditor until a replacement firm had been appointed. A further tender process would be followed in this regard. 	--	<p>Decision: Grant Thornton UK LLP was re-appointed unanimously as external auditor by those members present and by those members not present but voting by proxy. The Board was given authority to fix the remuneration of the auditor.</p>

<ul style="list-style-type: none"> o The Board had expressed its disappointment to Grant Thornton about its decision to stand down, in particular, as a lengthy tender process had been followed, which led to its appointment on the current terms. 		
9. Any Other Business		
<p>Those present were introduced to Joanne Slater, who had been co-opted to the Board, by the Board, as a non-voting member in March of this year.</p> <p>It was noted that Joanne had a wealth of skill and experience in the development process both in her current capacity as a senior development manager at a large housing association and as a former development consultant.</p> <p>Joanne went on to say a few words by way of personal introduction.</p> <p>The meeting joined in welcoming Joanne to her new role.</p>	--	--

This concluded the business of the 89th Annual General Meeting.