Minutes of HYELM’s 92nd AGM

Date, Time and Venue

27th April 2019 at midday at Hyelm – Old Street, 43-51 New North Road, London N1 6JB.

Members Present

Jeremy Batchelor, Keith Douglas, Gillian Drew, Michael Eddy, Joanne Foster, Ruth Goldfeather (Vice-Chair), Joel Inbakumar, Richard Lorimer, John Lum Young, Charlotte Paxton (Chair), Helen Taylor, Martin Welch, Mubina Willis, Wayne Willis and Paul Wilson.

**Others Present**

Sarah Armstrong, Sally Bell, Maria Buxton, Ian Drew, Robert Huggins, Sophie Kelly, Hugh Lorimer, Judy Lorimer and Mark Sharman.

**Apologies for Absence**

Rob Axford, Graham Briscoe, David Brown, Fred Cornell, Robin Fairfield, Tunji Faleye, James Harrington, Peter Luff, Sylvia Mead, Rhiannon Meredith, David McGill, Lisa Partington, Chris Rose, John Sage, Peter Wilsdon, Ron Wooldridge, Simon Wright and Fred Wyatt.

**Chair’s Introduction**

Charlotte Paxton thanked those present for their attendance. It was noted that a detailed review of the year had been included in this year’s AGM pack.

In summary:

* **Office Conversion Work:**
* Three new office spaces and a more intimate communal lounge had been created at our Old Street scheme.
* The quality of the conversion and refurbishment work had been high.
* New tenants had been identified for two of the new office spaces and were now in situ.
* Our finance team had relocated back to our Old Street scheme to join the remainder of our staff in the third office, generating additional cost savings.
* The capital cost of the work amounted to around £465,000. Additional annual income and savings of around £130,000 and £10,000, respectively, would be generated.
* Including our courtyard office suite, our Old Street scheme now offered space, services and facilities for up to 87 workers. These would be managed and serviced by our existing staff compliment.
* Our office tenants were:
* Internews (courtyard office suite): A charity that promotes freedom of speech across the world.
* Juno (new office spaces): A start up business that offers legal services and advice to those who are buying their first home.
* Relationships were now being developed with both Internews and Juno with closer partnership working in mind.
* **Development and Growth:**
* A site had been purchased in Colindale, North London.
* A planning application would be submitted in early May 2019 to construct a scheme that would deliver 156 x bed-spaces for young people, 26 x S106 affordable homes, 3 x commercial units and communal spaces.
* A contract had been entered into with Charles Edward Limited to build the scheme on a fixed price basis.
* Negotiations were underway with Octavia Housing Association, who would purchase the 26 x S106 affordable homes.
* The commercial units would be handed back to Regent Land Limited (the site vendor) at practical completion in accordance with the land purchase deal. Strict conditions would apply in relation to the use of the commercial units.
* The scheme would be built to a high specification.
* The total net scheme cost was projected to be in the region of £27.6 million. This would be financed by our own cash deposits.
* The total net scheme cost included a contingency sum of just over £1 million.
* **Fire Safety:**
* Detailed intrusive surveys had been carried out at our Old Street scheme subsequent to the Grenfell Tower tragedy.
* The need for significant and extensive fire safety and building defect work had been identified.
* The nature and extent of the defects that had been identified were not dissimilar to what was now being found in other buildings of a similar size and generation in the UK.
* A specification for the remedial work had been finalised. A tender process would now be followed. The work would most likely take between two to three years to complete in order to minimise disruption for our residents.
* A Waking Watch and an enhanced temporary fire alarm system had been put in place pending the works being completed. No intolerable safety risks had been identified that were not mitigated by the presence of these additions.
* Our lead regulator had confirmed that it was satisfied with the arrangements and plans that we had put in place.
* Claims had been submitted by us to the NHBC and the original contractor for all costs associated with the remedial work. These were now are under consideration. It was unlikely, however, that the full costs associated with the work would be recovered.
* The Board continued to monitor the situation very closely and to press for the most beneficial outcome. Residents continued to be kept informed. Safety remained the top priority.
* **Future Strategy:**
* A new Strategic Plan for the three years to 2022 had been researched and adopted by the Board during the year.
* The focus would be on delivering the Colindale scheme on time, on budget and in accordance with specification, adopting a bold new strategy for subsequent development and growth, business as usual and our communities and people.
* A copy of the Strategic Plan could be viewed by visiting the document library section of our website.
* **Corporate Brand:**
* An independent review of our brand and marketing strategy had been carried out during the year.
* This was felt necessary because our current brand had last been reviewed 25 years ago and was now out of date, the needs of young people and the environment in which we operate had changed, new and stronger competition had begun to emerge and new strategic objectives had been set by us.
* Our new brand would help us to better articulate our personality and identity as a charity, better promote our offer to young people, better promote our strategic objectives and further raise our profile.
* Our new marketing strategy would help us to promote and achieve 100% advance bookings at our Colindale scheme, maintain high demand and occupancy rates at our Old Street scheme, reach those within our target group who were in most need and maintain diversity in our resident populations.
* Sally Bell from our brand consultancy firm, B1 Creative, would give a presentation on our new brand after formal business.

A discussion ensued. Further information and assurances were given in relation to:

* Our resident target group, how residents are selected and the affordability of our rents.
* How our relationship with Octavia Housing Association would work during and subsequent to the construction of the Colindale scheme.
* The management and upkeep of the shared spaces and facilities at the Colindale scheme.
* The treatment of the historic grant funding that we held in relation to Arthur West House.
* The pros and cons of applying for and accepting housing association grant funding in future years.

Those present joined in thanking members of the Board and staff for their efforts in delivering another successful year for The Hyelm Group.

**Previous Year’s Minutes**

The minutes of the 91st AGM of Hyelm, held on 28th April 2018, were considered.

***The previous year’s minutes were approved unanimously by those members present and by those members not present but voting by proxy.***

Keith Douglas confirmed that a total of five proxy votes had been received.

**Matters Arising**

Martin Welch informed the meeting that he had located a number of documents that related to the funding of Arthur West House, which may be of historic interest.

These were handed to Chief Executive & Company Secretary, Keith Douglas.

**Annual Report, Financial Statements and Auditor’s Report**

Director of Finance, Mark Sharman, took the meeting through the reports for the year ending 30th September 2018.

It was noted that:

* **Performance for the Year:**
* The Group as a whole remained and continued to be projected to remain viable, cash positive and loan covenant compliant.
* An unqualified audit opinion had been given by our External Auditor.
* An operational surplus of around £221,000 had been achieved against a planned surplus of around £117,000.
* Occupancy levels remained high at 98.8%. Savings had been made on operational expenditure.
* The overall deficit for the year for The Group as a whole was around £222,000. The deficit was almost entirely due to the writing off of abortive costs (in relation to development opportunities that we had pursued but had not been successful in securing) in the approximate sum of £232,000.
* Capital expenditure amounted to around £11.4 million during the year. This included approximately £10.75 million in relation to our development programme (including purchase of the Colindale site), £465,000 in relation to the creation of the new communal area and office spaces at our Old Street scheme and £150,000 in relation to fire safety works.
* **Looking Ahead:**
* A rolling programme of vacant accommodation would been needed to facilitate the fire safety work that would be required at our Old Street scheme. This would put pressure on our ability to meet our AIB loan covenants.
* The income from the new office spaces that we had created would strengthen our ability to meet our loan covenants.
* A good relationship had been developed with AIB. AIB continued to be flexible and supportive. On-going dialogue would continue, in particular, during the delivery of our development and fire safety work programmes.
* Managing cash flow during our development and fire safety work programmes would be critical.
* Our financial forecasts would continue to be kept under close review. We remained confident that we would be able to cover cash requirements even in a worst case scenario in which our claims for the costs associated with the fire safety works at our Old Street scheme were unsuccessful.
* The fixed price build contract that we had entered into in relation to the Colindale development would help to mitigate the risk of cost overspend.
* Interest receivable would reduce as cash deposits were used to finance the costs of our development programme. Additional income from our new office spaces would help to mitigate this.
* Brexit had resulted in a very uncertain economic backdrop. We remained confident, however, that we would achieve our objectives, having taken robust measures to minimise financial risk.

***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.***

**Chair and Chief Executive’s Review**

The review of the Chair and Chief Executive in relation to the year was noted.

**Election to the Board**

The recommendations in relation to elections to the Board were considered.

***Graham Briscoe was re-elected/re-appointed to the Board as an Ordinary Member for a third term of three years by those members present and by those members not present but voting by proxy. Unanimous decision.***

***Rhiannon Meredith was re-elected/re-appointed to the Board as an Ordinary Member for an initial term of three years by those members present and by those members not present but voting by proxy. Unanimous decision.***

**Appointment of Auditor**

The recommendation in relation to the re-appointment of our external auditor was considered.

***Kingston Smith 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.***

**Any Other Business**

The meeting joined, once again, in thanking all those associated with delivering another successful year for The Group as a whole.

**This concluded the business of the 92nd AGM.**

Sally Bell of B1 Creative gave a presentation on the outcome of a recent review of the Hyelm brand.

Hyelm - Old Street scheme Manager, Sarah Armstrong, went on to talk about the work that she and her team were doing to enhance the sense of place and community at our Old Street scheme.

A general discussion followed. Those present thanked Sally and Sarah for their respective presentations, expressing their support for the work that had and continued to be done.