

## MINUTES

**NOTE:** In line with the FCA, this AGM was advertised and held as a virtual meeting via Zoom (with assistance offered for members who needed help setting up Zoom).

### **1. Introductions and Apologies**

**Present:** 12 Leathermarket CBS members, CBS directors, CBS staff, and auditor Martin Bradley. Quorum was met with over 10% of registered members in attendance.

No apologies were received.

A total of 7 CBS Members appointed a proxy to vote on their behalf - 6 to Paul Munday and 1 to Liam McGrath (CBS Co-Chairs).

Paul Munday (CBS Co-Chair) started the meeting at 6:30pm and talked through the meeting agenda.

Brian Botha (CBS Senior Project Manager) explained the virtual meeting approach, including explaining that voting would be by raised hands.

### **2. Minutes of Previous AGM**

Paul Munday summarised the key points from the minutes of the previous AGM and adjourned item meeting, which were made available in full on the CBS website.

**17 members voted to agree the minutes of the previous meeting, and 1 abstention.**

### **3. Annual Update from the CBS Co-Chairs Paul Munday and Liam McGrath**

Paul Munday summarised the key objectives of the CBS, as follows:

- Build high quality and genuinely affordable homes for rent.
- Empower incoming residents to participate in the design of their homes.
- Build energy efficient homes that reduce energy poverty.
- Ensure the new homes are available for local people in housing need.

Liam McGrath summarised the progress of the CBS programme as follows:

- The Elim scheme proposal secured support at the Planning Committee meeting on 11<sup>th</sup> September 2023 – to deliver 34 homes to be let at council rent levels, a new replacement ballcourt, bin stores, lighting and the re-provision of 35 car parking spaces.
- The future scheme, 26 Leathermarket Street (office site), is currently in the planning stage.

#### 4. Presentation of the Annual Accounts Martin Bradley, Jerroms GCN Accounting Services Ltd

The annual accounts for 2022/23 were presented by Martin Bradley, Jerroms GCN (Auditing) Ltd. The audit report revealed no issues of note, being unqualified. Martin Bradley (MB) explained:

- **Income – Project Funding:** That the income under this category primarily consists of grants from Southwark Council for construction works at Joseph Lancaster, as well as consultancy costs related to the Elim Street and 26 Leathermarket Street projects. Grant income for the year equalled the project costs, totalling £0.7 million. Notably, this figure has decreased from the previous year, reflecting the completion of the Joseph Lancaster project. It is important to note that any unspent grant funds are deferred and recorded as creditors.
- **Income – Client Funding:** This category mainly encompasses rental income from Marklake Court, a partial year of rent from Joseph Lancaster, management fees from Leathermarket Community Housing (LCH), client fee grants from Southwark Council, and bank interest received. Any surplus of grant funding received from Southwark Council, exceeding expenditure, is treated as a creditor rather than as surplus funds. Project funding costs for Joseph Lancaster, 26 Leathermarket, and Elim are matched by income.
- **Creditors (owed by CBS):** Notable creditors include £764,000 in grants received from Southwark Council, which are carried forward to fund future deliverables of the relevant projects, and £94,000 owed to LCH for project works.
- **LCH Accounts Summary:** It was noted that CBS owns 100% share capital of LCH, which was established to optimise VAT recovery. The profit and loss statement for LCH shows project costs of £688,305 incurred and subsequently recharged to CBS (recorded as income). This figure has decreased due to the completion of the Joseph Lancaster project. There is a net profit of £117, which represents the net commission receivable from CBS after accounting for professional fees, bank charges, and sundry expenditures.

Q: Fola Ogunkola asked the following questions:

1. Given the relationship between the CBS, LCH, and JMB, don't you think it would be better if consolidated accounts were provided as a better way of presenting the accounting information?
2. Fola brought up the fact that they had never received the annual accounts for LCH and inquired about the transparency of the LCH Board's composition, wondering why it wasn't more inclusive of a broader range of residents.

A: Paul Munday advised that the organisations are separate. The JMB was eager to establish an organization that could assist in delivering housing. CBS is an independent organisation that provides housing in the same locations that the JMB operates within. There exists an agreement between JMB and CBS regarding the operation of these properties. CBS maintains its own board of directors, and consequently it does not form part of the consolidation in terms of the accounts.

LCH was established to enable the recovery of VAT, resulting in significant cost savings in the delivery of services. Therefore, there is no need for anyone other than representatives from the CBS Board to sit on the LCH Board. In fact, it could even comprise as an accounting company. The accounts for LCH are approved by the CBS Board because CBS is the sole shareholder, holding a 100% stake in LCH.

Beverley Nomafo added that the LCH annual accounts were also uploaded on the website along with the CBS accounts.

Martin Bradley added that you cannot consolidate the accounts of CBS and JMB together because they are not part of a group. LCH and CBS are part of the group, but you would only consolidate accounts if you thought it would give any more meaningful information, which it does not.

- Q: Richard Lee raised the following questions:
1. Richard suggested that it would be beneficial to add a note to the LCH directors' report indicating that the CBS Board is responsible for signing off on the LCH accounts. This transparency would be advantageous for future reference.
  2. Richard inquired about the roles and activities of LCH directors, questioning whether they remain active throughout the year and if they hold regular meetings. He also asked if the minutes were accessible on Companies House.
  3. Richard requested further details regarding the £17,000 in other expenditures and sought clarification on how CBS handles rental income and management fees.

A: Martin acknowledged Richard's suggestion and mentioned that it could be incorporated into future LCH accounts.

Paul clarified that LCH directors convene separately as a board of directors to review and discuss the accounts with Martin. This meeting serves as the primary board meeting for LCH, and the approved minutes are submitted to Companies House. Throughout the year, the directors engage in discussions about the company due to their connections with CBS.

To avoid delaying the meeting while Martin searched for the detailed breakdown, he subsequently provided the breakdown in the chat.

Beverley added that the JMB provides management and maintenance services on behalf of the CBS through a management and maintenance

agreement, which is funded by rental income. The fees for management and maintenance are based on council assumptions.

**16 members voted to agree the annual accounts for 2022/23, with 1 against and 1 abstention.**

## **5. Reappointment of the Auditor**

The Board of Leathermarket CBS recommended the reappointment of Jerroms GCN Ltd as the CBS auditor for 2023/24.

**16 members voted to agree to reappoint the Auditors for 2023/24, with 2 abstentions.**

## **6. Board Directors – re-election**

PM informed the Members that two resident Board Directors have reached the conclusion of their 3-year term of service on the Board. These directors are:

1. Katie Farrant, whose appointment was confirmed at the 2020 AGM.
2. Halima Iqbal, who was appointed in 2020 to assume the role previously held by Martina Moh.

In accordance with the rules outlined in the CBS constitution, the Board has decided to nominate these two directors for re-election. The re-election vote for these directors would ultimately be decided by the Members at this AGM.

**Q:** Richard Lee raised a question regarding the feasibility of soliciting interest from CBS members for director positions. He pointed out the possibility that there might be some interest among members. He suggested conducting a ballot. Richard also expressed uncertainty about the extent of member participation in the election process. He posed the question of whether our only course of action is to reaffirm the board's preferences and inquired about the maximum allowable duration for directors to be re-elected before a mandatory break.

**A:** Paul Munday provided clarification by explaining that the re-election process is detailed in the constitution. He pointed out that in the case of Katie and Halima, both have made valuable contributions to the board, which is why the Board has nominated them for re-election. In instances where there is a vacancy due to a board member not seeking a new term or not being put forward for re-election, then the position is advertised.

Regarding the duration of service, Paul Munday noted that the constitution specifies that directors who have served for 3 x 3 year consecutive terms are required to take a mandatory one-year break before they can apply for a Board position.

Beverley Nomafo also emphasised that when there is a Board Director vacancy for a new term, the ultimate decision on whether or not to appoint the

directors who have been nominated by the CBS board is made by members at the AGM. The formal appointment of any CBS Board Director, starting a new term, can only be made by Members at the AGM.

Q: Fola Ogunkola inquired about the process of replacing the nominated JMB Manager on the CBS Board, as the current manager will be leaving the post soon.

A: Paul Munday clarified that the JMB holds the nomination rights. The ultimate decision in this matter is made by the JMB Board and the CBS does not have any influence over this decision.

**16 members voted in favour to re-elect Katie Farrant as a resident Board Director, with 1 against and no abstentions.**

**16 members voted in favour to re-elect Halima Iqbal as a resident Board Director, with 1 against and no abstentions.**

## **7. Any Other Business**

Q: Shirley Benardout inquired about the definition of genuinely affordable housing mentioned in one of the earlier slides. She was curious about the specific figures involved.

A: Beverley explained that the rents for genuinely affordable housing are determined by the council and are typically set between 30% and 50% lower than market rents, depending on the exact location. However, these rent calculations are based on central government guidelines and property valuations, with new build properties generally have higher valuations compared to older ones.

Q: Shirley asked whether any surplus energy generated by the solar panels on Marklake Court is sold back to an energy company, resulting in additional income.

A: Andy Bates (JMB Manager) clarified that the energy from the solar panels is not sold to an energy company. Instead, it offsets the costs of communal amenities such as lighting. There are volunteers associated with SE1 Solar who are exploring the possibility of a larger solar panel project, which may eventually involve selling excess energy to the grid.

Q: Shirley inquired if the energy savings from the solar panels would be reflected in the rent bills.

A: Andy explained that the energy savings from the solar panels would not be directly reflected in the rent bills. The service charge, which covers various costs, is aggregated across the borough by Southwark.

Q: Nick Pandey asked how the CBS arrived at its design decisions for Elim Estate, particularly in the absence of a tenant resident association. He also questioned the extent of the consultation undertaken.

A: Beverley explained that during the initial two years of consultation, a Tenant Resident Association (TRA) was active, and they actively participated in meetings and provided feedback on the design. Approximately 70% of residents supported the proposals, and the design decisions were made in collaboration with residents at each stage of the process. The CBS initiated extensive consultation, and detailed information would be provided to Nick.

Q: Nick added that he was specifically referring to the second application and expressed concerns that the CBS may have influenced the design without sufficient resident input.

A: Beverley clarified that the change from a community centre to an outdoor ball court was the primary difference between the first and second application. This change was initiated by residents in response to the COVID-19 pandemic. An independent ballot was conducted, and the majority of residents chose the outdoor ball court option. Beverley assured Nick that she provided comprehensive consultation information which can be found in the planning application documents.

Q: Fola asked about a newsletter sent out after the Elim planning committee meeting, which mentioned that feedback from Elim Residents was invaluable. He queried the definition of "invaluable."

A: Beverley explained that "invaluable" meant that the feedback from Elim Residents was of immeasurable importance and value. This feedback informed the design which obtaining planning permission for 34 new council homes – therefore helping to address the severe housing needs of local families.

Beverley clarified that the Decima Street TRA was active during the Elim stages of consultation and became inactive after this two year consultation period. CBS also engaged with various other residents and stakeholders.

Beverley informed that the surplus income from rental income contributes towards delivery of new council homes.

Q: Richard inquired about the redevelopment of the JMB office site, stating that the application was going to committee in November and asked for an update.

Richard also mentioned his membership in the Bermondsey Street Tenants Association and their interest in community facilities, including a homework club and meeting space for the TRA. He expressed concerns about a lack of communication from the CBS after submitting an objection.

A: Beverley stated that information regarding the JMB office site consultation had been previously sent and offered to resend it if again if needed. She pointed out that the final designs had integrated TRA comments, including the inclusion of community meeting space. The timing of when the scheme would

be presented to the planning committee was determined by the planners, not the CBS.

Brian Botha also mentioned that he had participated in the meeting with the TRA and conveyed to those in attendance that the site had size limitations. The primary goal of redeveloping this site is to provide much needed council homes - as well as re-providing the JMB office and existing community meeting functions. Additionally, the aim was to create designs for a versatile community space that can be re-configured to accommodate various TRA purposes. This includes movable walls to partition spaces into smaller areas for smaller meetings or open up into a single, larger meeting space for larger meetings.

Q: Richard expressed disagreement with the comments made and requested a meeting to discuss the final plans.

A: Beverley offered to schedule a one-on-one Zoom meeting with Richard to review the final plans and explain how the TRA's comments have been integrated. It's important to note that any additional consultations must be carried out through the planning authority. Consequently, the proposed meeting is exclusively intended for clarifying the community provisions within the design that has already been submitted for planning consideration.

## **8. Recognition and Thanks**

Paul thanked TRA members and residents who have been involved in the scheme consultations, Southwark Council for its excellent partnership in community-led housing, CBS Board Directors for their commitment to the organisation, and the officers of CBS for their hard work and dedication to delivering new Council homes.

Paul closed the meeting by thanking everyone for attending the AGM.

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