

Company Number: 10319743

**NORTH ESSEX GARDEN COMMUNITIES LIMITED**  
(the **Company**)

**Minutes** of a meeting of shareholders of the above-named Company held at Colchester Community Stadium, United Way, Colchester, CO4 5UP on 16 July 2018 at 4.30 p.m.

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**Present:** John Spence representing Essex County Council (**Chairman**)

Ewan Green representing Tendring District Council

Jon Hayden representing Braintree District Council

Adrian Pritchard representing Colchester District Council

**Observers:** Richard Bayley (**RB**)

Kim Opszala (**KO**), on behalf of the Company Secretary

Paul Skinner (**PS**) on behalf of Scrutton Bland

Andrea Luxford Vaughan

Cllr Andrew Ellis

Cllr Sue Lissimore

Gail Mooney

Giles Coode-Adams

Graham Barney

Helen Polom

Ian King

Jane Black

John Crookenden

Liz Dawson

Mr P Copeman

Mr Martin

Mrs Suzanne Todd

Neil Gilbranch

Noel Mead

Penny Lang

Peter Bamford  
Peter Hill  
Philip Jellard  
Robert Stock  
Tom Foster  
William Sunnocks  
Carole Nickelson  
Chris Downes  
Chris Outtersides  
Jon Phillips  
Judith Robinson  
Lance Morgan  
Louise Denyer

## **1 Chairman and quorum**

- 1.1 The Chairman reported that due notice of the meeting had been given and that pursuant to article 23 of the Company's articles of association (the **Articles**) a quorum was present. Accordingly, the Chairman declared the meeting open.
- 1.2 The Chairman stated that although there was no requirement to invite members of the public to the AGM, it had been decided by the board of directors of the Company that members of the public would be invited.
- 1.3 KO confirmed the shareholder representatives in attendance at the AGM and read out the AGM notice that had been circulated. KO reported that the purpose of the meeting was to consider and, if thought fit, to approve:
- (a) the adoption of the accounts of the Company to 31 March 2018;
  - (b) that there will be no payment of a dividend; and
  - (c) appoint the internal and external auditors of the Company;

## **2 Shareholder Questions**

- 2.1 The Chairman explained that some of the questions that had been raised in advance of the AGM would not be allowable as they did not relate to the business of the meeting, however all questions had been answered and were contained in a written document that could be collected at the end of the meeting.
- 2.2 RB read each question, and the board of directors' response. It was explained that the person who asked the question would be allowed to ask a clarification question:

**John Crookenden** - *The accounts show that there is a year end liability of £71,341 due to Colchester Borough Council. 1. When is this due to be paid? 2. What are the*

*terms of the loan? 3. Is NEGC Ltd a going concern?*

Colchester Borough Council's arrangement with the Company are that amounts are repayable as and when requested.

Funding for the Company is held by Colchester Borough Council in a restricted fund and all of the supporting councils have given the Company Board assurances of support in accordance with going concern requirements.

In common with other companies, the pension deficit is provided in the accounts under IAS19 rules. The Company pays appropriate pension payments in accordance with the arrangements agreed with Essex County Council who administer the pension fund.

**Rosie Peirson** - *Are the directors still satisfied that the accounts should be prepared on a going concern basis? They will be aware of NEGC's dependence on funding from the Councils and MHCLG and the recent letter from Priti Patel MP asking for that funding to be reviewed? What solid evidence do they have that money will be available to support all the new commitments being made to (for example) Grayling and a new project manager? If not should shareholders be adopting the accounts or supporting the expenditure?*

The Company has received funding from both Government and the supporting shareholder councils. These funds are held by Colchester Borough Council as a restricted reserve that is allocated specifically to the work that the Company undertake. All of the supporting councils have given the Company Board assurances of support in accordance with going concern requirements.

The Chairman allowed a clarification question querying why NEGC continued to be funded by the tax payer despite there being a question over its future. RB confirmed until they were told otherwise the Company would continue. If it was decided that a local development corporation was the correct vehicle, the board would consider the appropriate way forward.

**Ian King:** *The Directors' report makes no mention of "Events Since The End of the Year", which is a common feature of Directors' Reports. There has of course been a significant event, publication of the Inspector's letter. What impact do the Directors feel the Inspector's views have on the viability of the Company going forward and on the viability of the scheme which is the Company's "raison d'être"?*

The Company is working closely with the three local councils as well as with Essex County Council and various government departments to provide analysis and support to each of the local councils in relation to the Inspector's letter. Each of the three local Councils will be making a decision on which of the options in the inspectors Local Plan letter they wish to pursue.

The future matters of the Company are subject to decisions relating to the Local Plan and the potential creation of a Locally Led Development Corporation for North Essex.

**John Crookendon** - *The pension fund is in deficit and will this be remedied before the next annual accounts are drawn up?*

In common with other companies, the pension deficit is provided in the accounts under IAS19 rules. The Company pay appropriate pension payments in accordance with the arrangements agreed with Essex County Council who administer the pension fund.

**Rosie Pierson** - *Why is NEGC entering into defined benefit pension arrangements at a time when the world is moving to defined contribution? Have the actuarial, accounting and legal costs of this approach been taken into account?*

The pension arrangements for the Company are part of a total remuneration package that the Board of Directors benchmark against comparable roles in the sector. The appropriate funding of such arrangements is part of the Company's business planning and budgeting.

Rosie Pierson confirmed that he was not happy with the response but did not have a clarification question.

**Peter Bamford** - *Under the section 'Directors Report', sub-section 'Principal Activity and Review of the Business', there is a description of the 'Principal Activity' but no 'Review of the Business', can one be included?*

The Company has undertaken work on proposals for the three new Garden Communities across North Essex which describes both the principal activity and represents work done and as such also is a review of the business. The Chairman clarified that the Company is a new company and as such the board of directors had decided not to include a principal activity at this time. He confirmed it would be in the accounts going forward.

**Rosie Pierson** - *Isn't one of the key purposes of the AGM is to appoint or re-appoint the directors? Why is this not on the agenda?*

The Articles of Association of the Company require that its Directors are nominated by the supporting shareholder councils. There is no requirement for the Directors to rotate or be re-appointed.

**John Crookenden** - *Scrutton Bland have been appointed as statutory and internal auditors respectively. What are the estimated costs for the coming year?*

Scrutton Bland's appointment as external auditor for the coming year 2018/19 is subject to a resolution at the AGM.

### **3 Adoption of the accounts**

PS summarised the auditors report which contained a clean unmodified auditors statement. He explained that the deficit related to a pensions allowance that had to be made under statute. The Shareholders considered the draft financial statements tabled at the meeting and IT WAS UNANIMOUSLY RESOLVED that the financial statements for the Company, for the year ended 31 March 2018, together with the Directors' and Auditor's Report thereon are approved.

### **4 Dividend**

The Shareholders considered whether a dividend should be paid. IT WAS UNANIMOUSLY RESOLVED that there will be no payment of a dividend for the year ended 31 March 2018.

**5 Auditors**

IT WAS UNANIMOUSLY RESOLVED that Scrutton Bland be appointed as the statutory auditors of the Company and Mazars be appointed as the internal auditor of the company.

**6 Close**

- 6.1 The Chairman informed the attendees that following the meeting there would be an opportunity to speak with the board on an informal basis. He apologised that he would not be able to stay following the meeting as he has a prior meeting he must attend.
- 6.2 There being no further business, the Chairman declared the meeting closed at 4.50pm.



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**Chairman**