



SPECIAL GENERAL MEETING

Minutes of the meeting held on

8th June 2016

at Windsor Court, Frederick Place, High Wycombe

Members:

Mrs J Austin-Jones
Ms R Bashizi
Mrs J Boyd
Mrs H Chandler
Mrs D Coomer
Mrs M Gilbert
Ms M Kerberger
Mr T Lankester
Ms N Newell
Mr R Paterson
Mr J Potter

Mr S Rice
Mrs J Roake
Mrs M Saint
Mrs V Stringer
Mrs C Taplin
Mrs M Woodbridge
Councillor Mrs J Langley, WDC

In attendance:

Ms J Ferrigno, Chairman
Mr N Venables, Company
Secretary
Mr T Morrow, Chief Executive
Mr J Bootland, Vice
Chairman
Mrs S Fryer (notes)

	Action
1. The Chairman welcomed all those present to the Association's Special General Meeting, which had been called to vote on a proposal to change our rules.	
1.1 She confirmed that we are and would remain a tenant led organisation and this rule change was not in any way a first step away from that. What the rule change did, amongst other things, was to remove the terms "independent" and "tenant and leaseholder" Board member so that there was no distinction between the people who make up our Board. So, there was nothing to prevent the Board being comprised of	



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all tenant and leaseholders, providing they had the right skills to take the business forward. At this point however, the Chairman stated that the search for tenant and leaseholder Board members was proving difficult.	
<p>2. Apologies for Absence No apologies had been received.</p>	
<p>3. New Rules The Chairman stated that it was not the intention to go through the new rules line by line as a full copy had been circulated with the agenda for the meeting, but questions upon them were invited and she proposed to hand over to N Venables, Company Secretary.</p> <p>3.1 N Venables advised that he had received a question from a shareholding member which he would come onto shortly.</p> <p>3.2 J Potter asked that given it was proving difficult to recruit tenant and leaseholder Board members, how did the organisation propose to achieve tenant led. The Chairman responded that being tenant led had not been achieved by merely having tenant and leaseholders on the Board. It ran much deeper than that and being truly tenant led involved tenants and leaseholders being involved in everything we do and Board membership is just one aspect of this. N Venables explained that under the current rules, the Board comprised 15 board members, including 6 tenants and 1 leaseholder and therefore there could never be a majority of tenant and leaseholders on the Board. Under the new rules, the Board would be made up of 11, with 2 council nominees and potentially the other 9 members could all be tenant and leaseholders, providing they had the relevant skills. The new rules therefore gave a potential for more tenants and leaseholders to come forward and be on the Board. Our membership currently stood at 742 and all the important decisions about the organisation would be taken by its shareholding members.</p> <p>3.3 D Coomer asked for a short summary of changes for shareholding members. N Venables advised that under the new rules, shareholding members would choose Board members and elect people to join the Customer & Community Insight Group (CCIG), so this was an increase in responsibility for shareholding members. He advised that any new rules would need to be registered with the Financial Conduct Authority and once this had taken place they would be put on our website. D Coomer said that she would have liked to have seen the old rules versus the new rules.</p> <p>3.4 On the latter point, R Paterson advised that the CCIG had been taken through the changes.</p>	



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<p>3.5 N Venables advised that technically we were not updating the existing rules. We had taken the new 2015 National Housing Federation Model Rules and overlaid specific changes and it would not have been possible to have made a comparison.</p>	
<p>3.6 J Langley stated that the council were confident that the new rules supported the improvement that Red Kite wished to make in relation to their Governance arrangements and it considered that it did not change the original transfer arrangement and the new rules supported the tenant led ethos of the organisation.</p>	
<p>3.7 She went on to explain that the council however had raised a question regarding the possible increased length of tenure for the chairman from six to nine years and asked what would happen if there was an inappropriate chairman. N Venables stated that the chairman's position was in fact limited to a succession of one year terms, as each year the chairman was required to be re-elected by the Board. This was the first item on the Board agenda following the AGM, and as company secretary, he took the chair and invited nominations for both the chair and vice chair. Nominees then left the room and Board discussed the same without nominees being present and a vote was taken. The elected chair duly takes over. If shareholding members had any concerns representations could be made to Board. Whilst there was no formal mechanism for shareholding members to remove the chairman, such action would effectively constitute a vote of no confidence.</p>	
<p>3.8 S Rice enquired about the removal of council nominees to the Board. N Venables advised that the council had a right to nominate to the Board and all Board members were required to sign up to a code of conduct. We were currently in the process of agreeing a protocol with the council for future nominees. If any nominee was not acting in accordance with our code of conduct, we would be entitled to ask the council for another nomination. J Langley confirmed that the council had agreed to reduce its nominees to the Board from three to two.</p>	
<p>3.9 S Rice also asked if a council nominee was required to be present for any Board to be quorate and this was confirmed in the negative. N Venables advised that the council was a key partner and would continue to be so. However, the minimum number of Board members that made up a valid Board meeting was three, with at least two required to be independent. The council could therefore never have a majority decision making capacity.</p>	
<p>3.10 R Bashizi also asked about the term of office for the chair. The maximum term of office for a Board member was nine years and so the</p>	



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<p>term of office for the chairman was increased in line with this. It was considered this reflected value for money as there was much training undertaken by the chair.</p>	
<p>3.11 A member enquired whether a Brexit vote would affect our organisation. She was advised that we were a non-political organisation and we could not comment on this but the result of the referendum would affect every business in the country in some way. We were however sufficiently strong to cope with either result.</p>	
<p>3.12 N Venables advised the meeting of the question that had been submitted by P Moreton prior to the meeting. He had spoken with him and had agreed to read out his question and our response.</p>	
<p>3.13 P Moreton was concerned that the quorum for Board meetings no longer included a tenant or leaseholder and therefore no shareholding members. N Venables confirmed that he was correct in his understanding of the new rules. As a result, P Moreton wanted Rule D14.1 to be amended to retain the requirement for at least two shareholding members to be part of the quorum for the Board.</p>	
<p>3.14 We had responded in that the big topics such as rule changes, mergers, election of Board members etc came to the shareholding members, who are tenants and leaseholders. The quorum (three) is the minimum number and was intended only to be relevant in an extreme case. We had always had more than three Board members attend meetings. We always sought to enable all Board members to participate in important decisions and no major decisions were made without first seeking the views of tenants and leaseholders. Two places on the Board continue to be reserved for tenants and leaseholders. We have dispensed with the distinction between “independent” and “tenant/leaseholder” Board members in order to facilitate more tenants on the Board. In practice we have found it hard to recruit tenants and leaseholders to the Board. If we had a quorum that required two tenants and leaseholders to be present, Board meetings could be cancelled if a particular member could not attend.</p>	
<p>3.15 N Venables confirmed that this meeting is not able to take proposed amendments as we were replacing the entire rules. However, the Board may set higher quorum requirements under their Governance Regulations (and in accordance with Rule D14.1) and this would be considered should the meeting adopt the new rules.</p>	
<p>3.16 Key was that important decisions for the business remained with the shareholding members and whilst the quorum for Board meetings was three, the reality was there would always be more in attendance.</p>	



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<p>3.17 The Chairman reiterated that the rule change had been designed to make tenant membership stronger. For example, any proposal for merger would be up to the membership to decide.</p>	
<p>3.18 There were no further questions and the Chairman reminded the meeting of the resolution upon which it was voting: <i>That the Rules of Red Kite be rescinded and replaced with the Rules attached to the notice and that the Secretary be authorised to accept any alterations made to these Rules by the Financial Conduct Authority without further consulting the Members of Red Kite.</i> A 75% in favour vote would be required. The total number of votes cast (including proxy votes) was 128. The total number of tenant/leaseholder members voting was 127. Council Member votes was 1. Tenant/leaseholder member votes in favour was 116 (13 attending the SGM; 103 via proxy). Council Member votes in favour was 1. Tenant/leaseholder votes against was 11 (3 attending the SGM; 8 via proxy) Percentage in favour was 93.9% (Tenant/leaseholder members 63.9%; Council Member 30%) Percentage against was 6.1% The Chairman confirmed that the proposal had been approved.</p>	
<p>3.19 The final message from the Chairman was to reiterate what she had said at the AGM in that she wanted tenants and leaseholders to come forward and apply to join CCIG and Board. Whilst applicants did require to satisfy a certain skill set, one of the biggest assets was that they were in receipt of our services, so she urged all to get involved.</p>	