

MINUTES OF THE BOARD MEETING

Meeting Date	4 November 2019
Present:	
Board Directors	Andy Dewberry (AD) – Managing Director, Deborah Johnson (DJ), Sanjiv Kohli (SK), Rob Main (RM), Mark Stevenson (MS) – Non-Executive Director and Chairman, and Cllr. Tim Wendels (TW).
Company Secretary	Nigel Hill.
Declarations of Interest	There were no declarations of interest.
Apologies	There were no apologies for absence.
Also in Attendance	Karen White (KW) representing Newark & Sherwood District Council.
Decisions	
<p>Minute No. 89 <u>Minutes of the Board Meeting held on 2 October 2019</u></p> <p>Resolution: AGREED these were a true record of the meeting.</p>	
<p>Minute No. 90 <u>Bowbridge Road Development Update</u></p> <p>AD presented a report which provided a summary / key action tracker in respect of the Bowbridge Road development. AD advised that the planning application was scheduled for determination by the Council on 14 January 2019. One issue which had arisen in respect of planning, was linked to contamination at a single point on the site, and AD reported that discussions were being held with the Council in order to find a resolution which did not require a fresh full site investigation report.</p> <p>AD also provided an update in respect of Section 106 developer contributions. One area which still required resolution was in relation to the provision and maintenance of play areas. He suggested that worst case scenario, this would have a cost implication of £170k. AD also updated the Board on other key delivery points including the detailed drainage design, procurement strategy,</p>	

specification and tender documentation and sales and marketing. MS stated the importance of undertaking due diligence in respect of procurement.

In respect of the viability appraisal, AD advised that the revised business case and cash flow, produced with WTP gave a return of 12.6% gross profit, but still maintained a strong degree of prudence and contingency. MS stated that there was a need to understand the realisation of profits at completion of sales, however this needed to take account of costs and overheads. There was an appreciation that these figures would show a loss until houses were sold on the site. AD was requested to undertake such an assessment with the Council.

The report also provided an update in respect of the land purchase. AD advised that he was awaiting confirmation of the adoption position of Lord Hawke Way but KW confirmed this was an issue the Council had to resolve and not the company. AD also reported that Browne Jacobsen had uncovered some Section 106 items linked to the wider site which were being investigated and would need resolving before the land purchase could be completed.

Resolution

AGREED that the viability appraisal and cash flow forecast for finalising the Bowbridge Road final business case be approved for submission to the Council for approval and onward borrowing agreement.

Minute No. 91

Future Project Pipeline Update

AD presented a report which built upon the work carried out at the last meeting and brought forward an updated position relating to land available for development, delivery timescales, development costs, projected profits, projected overhead returns and projected additional land requirements. Appendix 1 to the report highlighted those sites which had the potential for development and those which were unlikely to be developable. Appendix 2 to the report highlighted in greater detail sites which required further discussion with the Council to firm up timescales and delivery numbers. Appendix 3 gave an updated five year delivery plan indicating the projected work plan based upon potential development opportunities to deliver 500 units over this time frame.

AD stated that the Company did require some certainty from the Council in relation to the availability of sites prior to any viability work being undertaken. KW confirmed that it was the Council's desire to explore these sites further with the Company.

When reviewing Appendix 3, MS considered that the Company were slightly thin in respect of future development opportunities, as such there may be a requirement to acquire land, for which a systematic approach would be required. It was noted that the Company would require a land acquisition strategy going forward given there was a need to have a reliable land bank for when the Company starts to have overhead costs. SK suggested that the Company could explore land availability with neighbouring local authorities.

The Board also gave consideration to a revised Business Plan. It was agreed that this should be taken forward to the Council's December meeting of the Shareholder Committee. It was considered that simple detail should be put in the plan even if this were subject to change. The key was to cover headline profit and loss and cash flows. SK agreed to assist AD with forward

projecting such figures in the Business Plan.

Resolution

AGREED that the Board note the work undertaken on the future pipeline.

Minute No. 92

Bowbridge Road Development – Site and Unit Type Naming

Further to the last meeting AD presented a report which provided the Board with the opportunity to contribute to the naming of the Bowbridge Road development as a whole plus the naming of individual unit types.

The Board supported the proposed site name as ‘The Avenues’ and suggested that individual unit types be named after villages in the District.

In addition, AD advised that work had now started on marketing of the site with Richard Watkinson.

Minute No. 93

Any other Business

Tax Advisors

SK referred to a late letter he had circulated to the Board from PSTAX, which set out terms of engagement for them to provide VAT advice to Arkwood. SK reported that the first stage in the process would be for PSTAX to provide a report to the Board setting out the key tax issues for Arkwood’s activities. Given the competitive cost (between £7,700 and £8,900) SK confirmed that he had engaged PSTAX accordingly and their report was expected for the next Board Meeting.

In addition, SK referred to the Company having to potentially being able to justify loans given to them by the Council and to be able to respond to any HMRC enquiries made in relation to any land valuations. SK confirmed that the Company did have appropriate notes on file to be able to justify the valuation of the Bowbridge Road site so this was defensible.

The Board considered that the Company should buy land direct and the issues raised by SK should be accounted for in the proposed land acquisition policy.

Meeting closed at 6.33 pm