

TOWER HAMLETS COMMUNITY HOUSING

LEASEHOLDERS STEERING GROUP

TUESDAY 20TH OCTOBER 2009

MINUTES

LSG MEMBERS PRESENT

Christina Chesterman	CC	Chapman Street (LSG Chair)
Mike Meir	MM	Gwilym Maries House
Alison Cochrane	AC	Coburg Dwellings
Abraham David	AD	Luke House
Sven Parker	SP	Barnardo Street
Mass Chefa	MC	Lysander House
Ares Zaimes	AZ	Cable Street

LSG MEMBER ABSENT

David Green	DG	Grayling Square
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OBSERVERS PRESENT

Thomas Turner	TT	Adam Meere House
Laura Tarantino	LT	Hobsons Place

OFFICERS PRESENT

Harneck Chilemba	HAC	THCH Director of Finance
Arum Sivagnanam	AS	THCH Financial Controller
Ajay Gajjar	AG	THCH Revenue Accountant
Sheila Bradley	SB	THCH Corporate Admin Manager (Minutes)

DISTRIBUTION

All above +	
Mike Tyrrell	- Chief Executive
David Eatwell	- Director of Housing
Peter Exton	- Director of Development
Compton Gustave	- Housing Services Manager
Bridgett Bardwell	- Human Resources Manager
Maryann Lowry	- Lettings Manager
Tracey Bellamy	- Lettings Manager
Andy Coleborn	- Policy & Communications Manager
Glyn Wiltshire	- Repairs & Maintenance Manager

Sirajul Islam	- Community Housing Office Manager – Shadwell & Wapping
Mina Rahman	- Community Housing Office Manager – Spitalfields
Elaine Hamilton	- Community Housing Office Manager – Bethnal Green
Shamim Hossain	- Community Development Officer
Rene Poole	- Community Development Officer
Annie Evans	- Senior Project Manager

1. APOLOGIES FOR ABSENCE

1.1 Julie Snell Conflicting Appointment
 David Eatwell Family Emergency
 Peter Exton Conference

2. DECLARATIONS OF INTEREST

2.1 None

3. MINUTES OF THE MEETING OF 21ST JULY 2009

3.1 The minutes of the meeting of 21st July 2009 were **AGREED** as a true and accurate record pending the following amendments:

3.1.1 6.1 – should read -while Mike Meir had two more years to serve and would retire in 2011. **SB** – Has amended the minutes

3.1.2 7.5 – add an additional sentence at the end of the paragraph to read: THCH should actively promote the use of Direct Debits and On-line payment methods. **SB** – Has amended the minutes

3.1.3 7.6.1– add an additional sentence at the end of the paragraph to read: Although one of the observers present queried whether the LSG meeting was really necessary. **SB** – Has amended the minutes

3.1.4 8.1 – should read: The Leaseholders Steering Group **NOTED** the Shared Ownership Management Policy. **SB** – Has amended the minutes

4. MATTERS ARISING FROM THE MEETING OF 21ST JULY 2009

4.1 7.5.1 HAC said that the figure of £209 had been arrived at after a meticulous exercise excluding any time of staff on non-leasehold matters. However, he appreciated the points being made about automating processes as **HAC** - This is in hand.

much as possible in the future and he would review the charge to take account of the impact of further automation and efficiencies.

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| 4.2 | 7.8.1 | HAC agreed. He stated that it was intended to consult all leaseholders about the increase in the charges well before they came into force and that the LSG discussion was the start of that process. | HAC - Consultation starting in September 2009. |
| 4.3 | 9.1 | The members of the LSG raised serious concerns in regards to the use of the complainants' initials being disclosed in the report. They felt that this could be seen as breach of the Data Protection Act. It was observed that complaints should be confidential but as the report stood it was possible to identify who the complaint was from through a combination of the initials and property address. HAC said that he would arrange with SB for this column to be removed from the report in future. | SB – The column will be removed from next year's annual report. |
| 4.4 | 10.5 | CC said that she had experience of THCH contractors working in anti-social hours of the day. She asked that a paragraph goes into the handbook in regards to the hours it was acceptable for contractors to be working on the estates and also a paragraph regarding the times that noise is considered to be a nuisance. | DE - confirms that this amendment has been made for future editions of the Handbook. |
| 4.5 | 10.6 | TT asked that a THCH e-mail contact also goes into the handbook with the other THCH contact details. | DE - confirms that this amendment has been made for future editions of the Handbook. |
| 4.6 | 14.1 | TT asked for an update report on whether it would be possible for the LSG papers and Service Charge Statements to be e-mailed to Leaseholders with internet access. | HAC - This is being investigated |
| 4.6.1 | | TT felt that more extensive use of IT systems by THCH to distribute documents would play a large part in cutting costs. He felt that all documents should be sent by email to both cut costs | |

and be greener.

- 4.6.2 AG explained that following the exercise in March 2009, where all leaseholders were contacted asking them to supply updated contact details, only approximately 100 of THCH's 900+ leaseholders had provided an email address. LT suggested that a further request for email addresses could be included with Service Charge Invoices. **AG**
- 4.6.3 TT felt that Committee papers, where THCH held email addresses for members, should be sent by email, as these were often bulky using large amounts of papers and were sent by courier.
- 4.6.4 SB pointed out that THCH could not presume that committee members would be willing to print off papers to take to meetings at their own expense but if members contacted her by email requesting that all reports were sent in that format, she would attempt to fulfill their wishes. **SB**
- 4.6.5 TT asked whether committee reports could be made available via the website. HAC was unsure whether this was appropriate given that the website was a public place but undertook to investigate whether this could be arranged. **HAC**

5. CHAIRS ACTION

- 5.1 None

6. SERVICE CHARGING POLICY

- 6.1. HAC spoke to the report, explaining that there was no change to the policy except for the inclusion of Section 2 which clarified the scope of the policy.
- 6.2 MM queried why the report only called for the LSG to note rather than comment on its contents. Other policies were sent to ARB's for comment, prior to revision and acceptance.
- 6.2.1 HAC drew the LSG members attention to paragraph 1.1 of the report which called for discussion by members and CC clarified that any comments or queries could be sent to HAC prior to the Finance and Development committee on 5th November 2009.
- 6.3 TT felt that as section 1.1 of the policy stated that charges were in accordance with its leases, this was open to challenge.

- 6.3.1 He felt that his own lease, which was only a few years old, was “wooly” as it stated that he should pay for those communal areas that he derived benefit from. He had taken legal advice and believed that as large portions of the estate were only accessible to the residents of adjoining blocks, he should only pay for communal areas he had access to and that estatewide apportionment of charges was not appropriate.
- 6.3.2 SP had come to a similar conclusion on checking his own lease, he felt that it showed block details in respect of the demise of the lease but did not include other items which fell outside the demise, e.g. horticultural works, drains, bollards etc.etc.
- 6.3.3 HAC felt that any mechanism of calculation would make winners and losers, the aim was to make the policy fair and not so overly complicated that it could generate higher management costs.
- 6.3.4 HAC suggested that a meeting should be arranged with TT, AG and Farrukh Rouf of THCH to inspect the lease, SP also requested a similar meeting.
- 6.4 AZ felt that the increase in Admin charges could well “open the flood gates” to legal challenges in respect of Service Charges.
- 6.5 CC expressed concern that bulk rubbish was charged on an estate wide basis, she felt the charge should be on a block basis and that residents who dump rubbish should be reported and charged directly.
- 6.5.1 AD believed that outgoing transferring residents caused a large amount of the bulk rubbish and they should be pursued for the costs of removal. It was also felt that management companies should be pursued to pay for their tenant’s rubbish.
- 6.5.2 HAC reminded the meeting that all residents have been written to advertising the free council service which collects up to 5 items twice a year, and advised that details of this were included in the Private Tenants Handbook.
- 6.5.2.1 SP was concerned that some items labeled and waiting for collection by the council service were being picked up by the THCH bulk rubbish collection service and therefore charges levied. He was advised to bring this to the attention of the Community Housing Office.

AG

- 6.6 LT was concerned about the condition of her block, she felt that nothing was done and enquired how estates were managed.
- 6.6.1 It was pointed out that all blocks were inspected monthly and residents were invited to attend. The Community Housing Office (CHO) Manager had overall responsibility for the estate, with the Housing Service Manager responsible for all three CHOs. As well as the estate inspections, complaints were a valuable tool for highlighting any problems and LT was advised to make a formal complaint regarding any specific problems she was experiencing.
- 6.6.2 It was requested that a report on “How Estates are managed” be brought to a future LSG. DE
- 6.7 MM requested clarification as to who the leaseholders of THCH New Homes would be. HAC explained that THCH New Homes had been set up as a subsidiary of THCH to handle commercial transactions like development at Claredale Street which includes 49 units for market sale. Some of the market sale units were flats on long leases and it is these who would become lessees to THCH New Homes.
- 6.7.1 MM enquired how THCH New Homes operated as it had no staff and HAC explained that an effective charging mechanism was already in place with the costs of THCH staff doing work for THCH New Homes being recovered from the subsidiary. He explained that it was a simple and straight forward procedure and in response to an enquiry from AZ, he explained that any profits were given back to THCH under Gift Aid provisions.
- 6.8 MM felt that the definition of Service Charges should be section 1 of the policy, although he was aware of some clarification of policies over the last few years, he felt that it would be easier to understand if the definition was at the beginning.
- 6.8.1 HAC responded that the policy was written in line with the THCH corporate format, he would discuss MM comments with SMT. HAC
- 6.9 It was agreed that section 1.4 of the policy should be amended to read:- HAC
 THCH will set Service Charges to reflect actual costs for each block as far as possible. It is not THCH's intention to make a surplus out of service charges. THCH will not subsidise the cost of services for leaseholders or its administration.

- 6.10 LSG members felt that charges for CCTV would be more appropriately apportioned by estate than by block. HAC responded that a case would need to be made in respect of the area of benefit and reminded LSG members that charges could only be levied against those leaseholders who had been consulted prior to installation.
- 6.11 CC requested that any further comments should be sent to HAC via email prior to the Finance and Audit committee on 5th November 2009.
- 6.12 The Leaseholders Steering Group **NOTED** the Service Charging Policy

7. SERVICE CHARGE ACCOUNTS (QUARTER 2)

- 7.1 HAC spoke to the report, explaining that this was the first time accounts had been brought to LSG. He explained that the report's purpose was to demonstrate how estimated charges billed in the estimates compared to costs to date. He hoped that the next report would also include budget comparisons as well. FR
- 7.1.1 TT asked for clarification that the report showed expenditure that was larger than income and also asked whether the figures shown related to all residents or just to leaseholders.
- 7.1.2 HAC responded that the report related to leaseholders only with costs apportioned accordingly.
- 7.1.3 In response to a query by LT as to how a leaseholder could check the apportionment, it was explained that it was calculated on the number of units per block as set out in the policy discussed under Item 6 earlier in the meeting.
- 7.1.4 AZ enquired how the accounts would balance and HAC responded that at the end of the year, accounts would be audited and any debit or credit adjustments made through the Actual Service charge Statements.
- 7.2 The Members of the Leaseholders Steering Group **NOTED** the income and expenditure for the 2nd quarter ended 30th September 2009.

8. MANSFORD AND AVEBURY EAST ESTATES – REFURBISHMENT UPDATE

8.1 The Leaseholder Steering Group **NOTED** the progress:

8.1.1 In the refurbishment of the transferred estates.

8.1.2 Of the new build on the transferred estates.

9. LEASEHOLDER CONSULTATION UPDATE

9.1 HAC spoke to the report explaining that it was his intention to collate all responses received and report to the January 2010 LSG and then to the Finance and Development Committee. The consultation period was due to finish on 24th December 2009.

9.1.1 To date four responses had been received and individual points raised addressed in writing.

9.2 HAC clarified that although Leaseholders Admin charges did provide for the day-to-day work involved in recovering costs, where possible, charges were to be recovered from the individual leaseholders involved. Legal advice however was that THCH would probably not be able to do so unless specifically detailed in the individual lease. The only chance of recovery in many cases would be if the Court awarded costs. Although all leases show an obligation to pay, they contained no comment on an obligation to pay the costs of recovering arrears. All future leases would be strengthened to reflect this.

9.2.1 AC asked how many leaseholders were in the position of being taken to court. AG replied that although there were approximately 60 that he would like to take to court, there was insufficient budget to allow this. He outlined the steps taken to recover monies owed, explaining that after attempting to resolve the matter directly with the leaseholder, lenders are approached who often settle to avoid a court case with the possible outcome of forfeiture of an asset they have a vested interest in. Those with no mortgage, or landlords with a large number of properties, often expected to be taken to court and THCH had less leverage with those leaseholders.

9.2.2 AZ enquired why THCH did not follow the model used by LBTH for Council tax arrears, AG undertook to investigate but he suspected that some leaseholders would pay their arrears just before the court date, leaving THCH liable for all costs. Therefore, this would not be cost effective.

AG

9.3 AZ queried the use of Newham Homes as a comparator.

Although HAC explained they were part of the Tower Hamlets Benchmarking group AZ felt that their use was somewhat cynical as their charges were high and that Management Charges could also increase in the future. HAC explained that, for the level and quality of service provided, THCH's overall charges were reasonably comparable to other organisations.

9.3.1 TT queried whether £250 was the actual cost or simply a figure decided upon by RSL's. HAC confirmed that THCH did not work back from a total in order to arrive at a predetermined charge.

9.3.2 AZ queried why THCH could not simply charge 10% of the overall costs like East End Homes. HAC replied that the information he had been given by EEH did not show that was how their charges were calculated. AZ was certain that was how his invoice was calculated and undertook to provide HAC with a copy for AG to investigate.

AG

9.3.3 TT could not understand why it was not possible to accurately cost the charges, HAC responded that for staff to provide the level of assurance implied it would require a timesheet system to record staff time on each lessee's affairs and that would be too time consuming and expensive for leaseholders.

9.4. LT was concerned that THCH seemed unwilling to take account of leaseholders concerns and although it was possible, she was unhappy to go to litigation as it would be time consuming for her. She felt that THCH were not transparent in their actions and inefficient in their methods and only acted when litigated against. She did not have time to attend meetings but felt that she had to bring her concerns to the light.

9.4.1 HAC replied that accusations of lack of transparency were unfair and it was very difficult to respond to generalised remarks. Specific concerns should be brought to the attention of the Finance team or the Housing Office and THCH had a robust complaints system if the problem could not be resolved by the Leaseholders Services Officer or CHO as appropriate.

9.4.2 LT felt that THCH had been negligent in not ascertaining actual costs of electricity from EDF, but HAC explained that THCH could not have done anymore. Past actions taken by THCH included the Chief Executive writing, including photo's providing evidence to the Chief Executive of EDF to no avail.

- 9.4.3 TT felt that although some unnecessarily confrontational remarks had been made, THCH did appear defensive at times and that they were not listening. SP responded that he felt that was not intentional, THCH did listen to leaseholders concerns although sometimes they got lost in the system.
- 9.4.4 CC pointed out that a large number of residents on estates in the area had informed her that they wished THCH managed their homes. Although not perfect, THCH listened to complaints from residents and acted on their comments where possible.
- 9.5 In response to a query as to whether THCH could charge leaseholders an estimated electricity charge to avoid a large charge when the invoice was eventually received from EDF, HAC explained that current accountancy rules prevented that.
- 9.6 The Leaseholder Steering Group **NOTED** the report.

10. MINOR WORKS PROGRAMME PROGRESS REPORT

- 10.1 TT felt that unless required due to the age of a block, brick cleaning was only an aesthetic improvement and not an appropriate use of limited funds.
- 10.2 Confirmation was sought from SP that improvements would not be charged to leaseholders. HAC explained that they would not unless they had been consulted prior to the improvements and they had agreed to the works.
- 10.3 The Leaseholder Steering Group **NOTED** the report.

11. OUTSTANDING ACTION

- 11.1 It was agreed that items 2 and 3 on the table item 4 of the report were now complete and should be deleted from further reports **SB**
- 11.2 The Leaseholders Steering Group members **NOTED** the action outstanding as outlined in section four of the report.

12. FUTURE AGENDA ITEMS

- 12.1 A report on contractor performance and measures that THCH could take in case of failure should be brought to a future LSG meeting. **DE**
- 12.2 It was requested that a report on “How Estates are Managed” be **DE**

brought to a future LSG.

13. ARTICLES FOR UPDATE

13.1 It was requested that a reminder of the on-going consultation with leaseholders be included in "Update" to encourage a greater level of response.

14. ANY OTHER BUSINESS

14.1 AC enquired why TT had felt that the LSG meeting was not valid. He responded that he had wondered, as there were a number of other THCH forums for residents to put their points across, whether other leaseholders might resent bearing the cost of the meeting.

14.2 AZ raised a query regarding comments on his service charge invoice in respect of electricity charges. HAC apologised for the error and confirmed the year reference should have read 09/10 as 08/09 had already closed.

15 ANY OTHER BUSINESS (WITHOUT OFFICERS PRESENT)

15.1 None

16 DATE OF NEXT MEETING

16.1 The date of the next meeting of the Leaseholders Steering Group was confirmed as Tuesday 19th January 2010.

There being no further business to discuss, the meeting closed at 9.00pm

Signed.....

Dated.....