

Minutes of Annual General Meeting 2009

At Kensington Library, Lecture Theatre
On Saturday 14th November 2009

(1) The first section of the meeting consisted of two panel sessions. Each panel member made a few introductory comments, followed by question and answer sessions. This part of the meeting was chaired by Charlotte Martin.

(2) The first panel comprised **Neil Cook**, an insurance broker, **Nicolas Shulman**, editor of 'News on the Block' and **Sharon Crossland**, who set up the 'Leasehold Life' website.

Neil Cook highlighted the overcharging on buildings insurance policies routinely taking place in leasehold blocks of flats. He felt that managing agents are not doing their jobs properly and – unlike the insurance industry – are unregulated and uncontrolled. He took the view that the insurance premium for a typical two bedroom flat should be in the region of £200 to £300 a year, but that most managing agents were charging well above that amount by adding excessive charges and commissions. In addition, the rebuilding costs on which the valuation is based are often exaggerated. The Building Cost Information Service (BCIS) provides detailed information about how these rebuilding costs are calculated. Neil said that rebuilding costs are typically in the region of £175 per sq ft (£200 per sq ft in central London), and does not normally require a valuation to be undertaken. He also took the view that terrorist cover was only necessary in central London.

Landlords and others taking out insurance policies on behalf of leaseholders often do not declare relevant factors such as past criminal records. Policies can easily be voided by insurance companies in these circumstances, leaving leaseholders in the lurch when it comes to making claims on these policies.

Nicolas Shulman said that his motivation for setting up 'News on the Block' in the first place was that there appeared to be no easy access for leaseholders to exercise their legal rights. 'News on the Block' originally started off as just a magazine, but now it has developed a website as a more important means of communication. Nicolas has written a book 'Being a Leaseholder: the essential guide to managing a flat' to help leaseholders cope with the complexity of the legal issues involved in owning a leasehold property. He said that there was currently a debate in progress over the effectiveness of the LVT. Commonhold tenure, which had been introduced back in 2002, was a dead duck. There is now a growing interest in leasehold amongst MPs, who realise that there are a lot of votes in the issue with three million leaseholders in the UK. He was aware that there is an interest in re-establishing the all-party leasehold reform group. He knew of over thirty MPs interested in raising the profile of the leasehold issue.

'News on the Block' is endeavouring to promote best practice in the sector. It has set up an awards scheme to recognise those working the leasehold sector with good standards. This will help leaseholders to differentiate between good and bad managing agents. Nicolas said that the RICS had undertaken an investigation into the insurance of blocks of flats. The consultation has ended and their report will be published soon. In response to questions, he said that there were two ways in which to identify the landlord of block of flats, firstly under their obligation to do so under the Landlord and Tenant Act 1985, and secondly through section 11 of the 1993 Act. However he recognised that if the landlord was registered in an offshore territory, it would be impossible to ascertain who the real owner actually was.

Sharon Crossland gave a brief history of the block where she lived, highlighting the problems created by having a criminal and neglectful landlord. She felt that they now had a good managing agent, but that this has only come about by accident rather than by design. It was extremely worrying that neither membership of the RICS nor of ARMA, both which have codes of practice, offered no guarantee their members adhere to such codes or that their members are any good as managing agents. It was not possible to know whether a managing agent was any good until they had started work, by which time it was too late. Sharon said it was incredible that the authorities found it acceptable that people could still be so badly treated in their own homes. She decided to set up the 'Leasehold Life' website in order to pass on knowledge about leaseholders' rights.

(3) The second panel included **Don Heady** of CARLEX, **Richard Beville** from Westminster Leaseholders, and **Nigel Wilkins**, the chair of CARL.

Don Heady reported on the successes that CARLEX had achieved in gaining publicity on behalf of leaseholders living in retirement homes. There had been articles in The Times and in the Daily Mail, as well as in programmes on Channel 4 News and on Radio 4's 'MoneyBox' and 'You and Yours'. CARLEX had also held a packed meeting at the House of Commons hosted by the Liberal Democrat MP Ed Davey. Don said that, when in a legal dispute with the landlord, it was important for leaseholders to check whether their contents insurance policy included legal protection insurance. Such cover usually provided up to £50,000 worth of legal costs.

Richard Beville talked about the savings that leaseholders in Westminster had achieved in reducing the charges for the supply of heating and hot water. The process by which this had been achieved was partly through the inspection of accounts and partly through political pressure applied locally. The problem with landlord and tenant law is that it is reliant on the 'reasonable test', which is not a strong enough check on service charge costs in these situations.

Nigel Wilkins said he anticipated that the government would introduce legislation to regulate managing agents in the leasehold sector, in company with measures to regulate the private rented sector. It was not yet clear whether this measure would be introduced in the Queen's Speech on Wednesday, or whether this would be held back for the election manifesto. However, in itself this would be insufficient. We need measures to free leaseholders from all aspects of abuse, and not just from management abuses

In response to a question about setting up a 'blacklist' of incompetent and negligent managing agents, Nigel Wilkins said that this would be difficult because of the harsh libel laws in this country. He also said that a list of good managing agents would be much shorter and easier to compile.

(4) The business part of the meeting was chaired by Nigel Wilkins (Chair of CARL), who thanked all the speakers and other participants for showing their support for CARL.

(i) Minutes of the last AGM

The minutes of the previous year's AGM held in November 2008 were presented to the meeting. The minutes were approved, with the motion proposed by Alistair Barr and seconded by Bay Haseler.

(ii) Report from the Chair

Nigel Wilkins made a few brief remarks about the work of CARL over the previous year, and said that CARL needed additional active committee members in order to be more effective.

There had been only two committee meetings in the course of the year, although committee members had met and communicated at other times in the course of the year. Nigel encouraged all members and supporters of CARL to write to their MPs and prospective MPs to highlight the problems created by the leasehold system. Looking ahead to the next general election, Nigel said that the best result for leaseholders would be a hung parliament, since this would make MPs much more responsive to the electorate. Nigel reported that CARL is handicapped at the moment by its website, which needs to be updated on a regular basis. He proposed setting up a small group to address this problem and asked for members wishing to support this project to come forward.

(iii) Treasurer's Report

Mike Morrison, the Treasurer, circulated the accounts for the 2008 financial year, and gave an update of the current financial position. There was a question from Julian Shersby about the cost of sending out hard copies of the newsletter and whether we could do more through electronic communication methods. Nigel Wilkins said that there was a danger of losing contact with members by going down this route. The meeting approved the accounts, with the motion proposed by Alistair Barr and seconded by Tony Watson.

(iv) Subscription Rate for 2009/10

The meeting approved keeping the subscription rate at its existing level (i.e. twenty pounds per annum for waged and ten pounds per annum for unwaged). The motion was proposed by Alan Ingram and seconded by Don Heady.

(v) Election of Officers

The following nominations were accepted for CARL officers and committee members in the coming year:

Nigel Wilkins	Chair and Newsletter Editor
Michael Morrison	Treasurer
Neil Mulcock	Committee Member
Anna Brownlow	Committee Member
Chris Graham	Committee Member
Maria Wojsik	Committee Member
Tony Warren	Committee Member
Neil Shepherd	Committee Member

A motion was passed approving these appointments, proposed by Alistair Barr and seconded by Noëlle Rawé.

(vi) Any Other Business

Alistair Barr made the point that it was important to build contacts with local councillors, and not just with MPs. Ian Smith suggested that greater use of electronic means of communication would have a greater impact than the present reliance on the distribution of newsletters as paper copies.