



**Minutes of Leasehold Panel meeting, 7.00 pm, Civic Centre,  
Tuesday 16 January 2007.**

**Attendance:** Mr R Towerzey, Ms S Brown (Secretary of the HLA), Ms M Gill (Treasurer of the HLA), Ms A Goodhew, Mr M Ruggins (Acting Chair, HLA), Mr J De Freitas, Ms D Grandson, Ms B Hines, Ms H King, Mr M Laheen, Mr N Martin-Clark, Ms E Owen.

**Apologies:** Mr A Samuel.

**Guest speaker:** Nicholas Kissen, Senior Legal Adviser, Leasehold Advisory Service.

**Officers:** Mr N Thevanesan, Home Ownership Manager, who chaired the meeting, Mr G Segel, Business Support, Quality and Learning Manager, Ms B Kennedy, Feedback Team Manager, Ms S Hendrickson, Resident Involvement Officer, Ms P Badiani, Liaison Officer and Mr B Nicholas, Project Officer.

**Introductions:** Mr Segel introduced Bernadette Kennedy, who had recently been appointed as the new Feedback Team Manager. Mr Thevanesan welcomed Sheryl Hendrickson, Resident Involvement Officer, who now has special responsibility for leasehold involvement matters.

1. **Minutes of the last meeting on 4 December.** These were agreed as being a true record with the following amendment. Ms Brown said that she had not made the comment attributed to her "that she felt the first notices regarding the decent homes programme had been too long and too complicated, which had made it very difficult for leaseholders to get an overall picture of what was going on." However she said that an important observation she had made had not been recorded. This was that the current application being made by the Council for dispensation to the LVT would seek to confirm a situation under the proposed partnering arrangements whereby leaseholders lost the right to nominate a contractor of their own choice.

2. Matters arising. There were no matters arising.

3. LEASE Mediation service, Nicholas Kissen, Senior Legal Adviser, Leasehold Advisory Service

Mr Kissen started with a brief history of LEASE. It had been set up in 1994 following the passing of a major piece of legislation – the Leasehold Reform, Housing and Urban Development Act 1993. This had included a number of important reforms which affected all leaseholders – relating to the right to extend the lease, purchase of the freehold (in certain circumstances) and so on. Another important Act followed shortly afterwards - the Housing Act 1996, which set up Leasehold Valuation Tribunals (LVTs). The Government felt it was necessary to have a special organisation to advise the public and property professionals on the implications of the new legislation and so LEASE was born. Peter Haler was involved in setting up the new organisation and he is still the Chief Executive today.

The Commonhold and Leasehold Reform Act 2002 he said had considerably extended the legislation affecting leaseholders – giving them more rights and extending the powers of the LVT (one for each region) and the application of the section 20 regulations. LEASE advises on practically all aspects of the law affecting leasehold properties. They are open to calls from the public 9.30 to 3.30 every day. They also can be seen by appointment, they hold training sessions and make addresses to conferences and so on.

He explained that LEASE'S Mediation Service has been set up fairly recently. It constitutes a natural role for LEASE in view of Lord Woolf's recommendations (*Access to Justice*, 1996) for the development of alternative dispute resolution methods (in addition to the courts). Mediation has now become one of LEASE's core services and details and an application form are available on its website [www.lease-advice.org](http://www.lease-advice.org). Mediation with regard to leasehold matters is available to anyone. You must provide a brief summary of the issues involved and you don't have to contact the other side before you speak to LEASE. Sometimes the District Judge decides at direction stage that mediation would be appropriate. LEASE has been approached to undertake this function and has managed to resolve a number of the issues in contention.

Mr Kissen said that probably 90 per cent of cases were suitable for LEASE to deal with. However some types of cases such as boundary disputes and the value to be placed on a lease where an extension was being sought were not really appropriate for them to deal with as a part of their Mediation Service. When it is approached by a party to a dispute, LEASE writes to the other side informing them that they have been approached by the person in question in a bid to resolve the outstanding issues. If

there is no response or the recipient says that they are not interested then no further action can be taken. If the other side indicates that they are prepared to participate, then both sides are requested to pay £100 as a fairly nominal contribution to the cost of the service.

The mediation session is generally organised within about 2 weeks at LEASE's offices in Central London. They first see the applicant, who is interviewed by two professional Co-mediators to go into all aspects of the dispute from the applicant's point of view. The other side is seen separately afterwards to hear their side of the matter. Then both parties are brought together in a joint discussion chaired by a Mediator to ensure that all issues are covered. The Mediator's role is not one of arbitration or passing judgment, it is simply to ensure a full discussion of all the relevant issues in a completely confidential environment.

If an agreement can be reached Mr Kissen said, it is drawn up right away and signed there and then. It is a form of agreement which is not legally binding. Either party can be accompanied by a legal adviser or obtain legal advice about the issues under discussion privately from a LEASE lawyer. An agreement is generally reached in the majority of cases. LEASE is confident that mediation can often provide a very good alternative to going to court. The Court will sometimes refuse to award costs to an applicant who wins a case, where they have declined to attempt mediation.

He continued that mediation is very cost effective in comparison to litigation and it also ensures that all the issues are addressed, whereas the outcome of a court case may often result in a number of important issues (important at least to one of the parties) being left unresolved. The Leasehold Valuation Tribunal service (Residential Property Tribunal Service) also has a mediation service, though this only applies to those who have first made an application to the Tribunal. Furthermore it doesn't cover major works issues or matters relating to the section 20 regulations.

In answer to a question, Mr Kissen explained that the mediation agreements drawn up by LEASE were not legally binding and they were not legally enforceable, unlike arbitration agreements. Furthermore if there is no prospect of any agreement the Co-mediators can decide to end the discussion without agreement. All of the discussions involved in the mediation process are treated as strictly confidential apart from the existence of the final agreement itself. The Co-mediators cannot be subpoenaed to appear to give evidence in court.

Either side can be accompanied by a solicitor if they wish to. Anyone is welcome to phone LEASE and there is no charge for any advice given.

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A general discussion followed Mr Kissen's talk. Mr Towerzey expressed the view that the service provided by LEASE was worth consideration since he felt that mediation was best carried out by a wholly independent organisation. In response to a question from Ms Hendrickson, Mr Kissen said that the Mediation Service invariably dealt with a disagreement with an individual leaseholder rather than a group of leaseholders.

Mr Kissen then took his leave of the meeting in view of his travelling commitments. Mr Thevanesan thanked him for his very informative talk which had been of considerable interest to the Panel. It was clear that LEASE'S Mediation Service could provide a very good alternative in some cases. Those present joined in expressing their appreciation in the traditional manner.

Mr Segel said he felt that mediation could play a useful role in those cases which could not be resolved by the complaints procedure. It comprises a three stage process of in-depth consideration of the issues which is undertaken by senior management in Homes for Haringey and in Haringey Council. Subsequently the complainant can also refer matters to the Ombudsman where they feel that there has been a failure in the Council's procedures. He suggested it would probably be appropriate if people were offered the possibility of mediation in some cases, especially if it had the potential to avoid court action which could result in much greater costs, especially to leaseholders.

He said that Homes for Haringey might agree to pay the £100 charge for the applicant, where Homes for Haringey had decided to refer the case to mediation. In answer to a query he confirmed that the feedback procedure was able to look at complaints about the quality of work or where it was believed that work had not been completed. Mr Thevanesan pointed out that although individual leaseholders could have their charge of £100 paid for by HfH, leaseholders as a group would end up paying for most of the cost of mediation on leasehold matters. Mr Laheen suggested that it would be a good idea if the policy with regard to mediation could be discussed at the forthcoming Forum.

In answer to a question Mr Segel said that mediation would come under the customer feedback scheme, forming part of the responsibilities of Ms Kennedy's team. Where the complaints procedure had not resolved matters, mediation could be considered for some cases. This was welcomed by Panel Members, some of whom

believed that the complaints procedure had not always been producing satisfactory results. Mr Thevanesan said that a complaint would always start with the department concerned, that is the service provider.

Ms Kennedy agreed. She explained that if the complainant was not happy with the response received at the first stage, a senior person from another department then became involved to undertake a review of the matter. Mrs Goodhew commented that it took rather a long time to get a response in some cases. The point was made that leaseholders quite often had problems with getting repairs done. One Panel Member said they had made a complaint which didn't reflect very well on a particular officer and the matter had been relayed back to the person in question by the immediate supervisor. This had caused the complainant considerable personal embarrassment. It was agreed that all such matters should be treated with the utmost confidentiality.

Mr Ruggins made the point that it would be important to ensure that relatively trivial matters did not become the subject of mediation, which would necessarily result in quite a lot of administrative costs, some of which would inevitably fall on leaseholders. Mr Segel agreed that it would be necessary for there to be proper criteria regarding such matters. Mr Thevanesan said that proposals for a procedure in respect of mediation cases would be reported back to the Panel. Mr Segel confirmed that his team would be working on these matters in the near future in order to draft the necessary procedures and to provide information about them to leaseholders and tenants.

4. Leaseholders Forum (Saturday 10 March) – proposed arrangements. Mr Nicholas made a brief report on the proposed arrangements, guest speaker, workshops, etc. These were agreed by the Panel

5. Annual estimates – despatch early February. Mr Thevanesan reported that the annual estimates were being despatched a bit earlier this year. Leaseholders were also being asked to set up their instalment arrangements a bit earlier in order for the first payments to be received by the 2 April. The Panel noted these matters.

6. Any other business. There was no other business

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