



## Leasehold Panel

### Minutes of the meeting, 4 September 2008.

1. Attendance. Mrs Susan Adewumi, Ms Ivonne Wollny Mrs Rita Batzias, Ms Kali Mercier, Ms Sue Brown (Chair of Haringey Leaseholders' Association), Mr Charles Connolly, Mr Timothy Dettmar, Mrs Delsie, Grandson, Mr B Hines, Mrs May Irving, Mr Nick Martin-Clark, Miss Millie Mboizi, Ms Elizabeth Owen, Ms M Powell, Mr R Rodriguez, Mrs M Shaw, Mr R Taylor, Mr A Yohannes, Ms Lynne Zilkha (Treasurer, HLA), Miss A Marangou and Sheikh Husseyn.

Apologies. Ms Catrina Etheridge, Mrs Anne Goodhew, Vice-Chair of the Leasehold Panel.

Chair: the meeting was chaired by Mr Nick Martin-Clark.

Officers. Mr Nesan Thevanesan, Home Ownership Manager, Mr Les Armstrong, Head of Engineering Design, Mr Joe Boake, Senior Resident Involvement Officer, Andrew Cusack, Litigation Lawyer, Haringey Council and Mr Bruce Nicholas, Leasehold Project Officer, who took the minutes.

**2. Minutes of the last meeting (6 August 2008)** - the matters recorded in the minutes were agreed as a true record.

### **3. Matters arising.**

Nick MC explained that a change to the wording of the minutes had been agreed between himself and Anne Goodhew, the vice-chair. The last sentence was to be changed to read 'As per a gentlemen's agreement in a pre-meeting session, Mr Martin-Clark agreed not to elicit support for his complaint and there was no further discussion of the issues by the Panel.' Nick MC then handed the chair to another leaseholder, Lynne Zilkha, in the absence of the vice-chair for the purposes of a discussion. He explained that the agreement had been reached in a meeting immediately prior to the last panel and gave some context for his complaint, relating to last year's LVT

hearing. He referred the panel to the copies of the two documents that had been circulated at the beginning of the meeting although they had not been included in the minutes. The fact that they had been excluded was a matter on which there was a difference of opinion between himself and the vice-chair on the one hand and Homes for Haringey officers on the other. Prior to the meeting both parties had agreed to take their disagreement to the board for a ruling via a letter that the vice-chair had agreed to write. Mr Thevanesan offered to make a personal apology to NMC and to the panel if the board found he had acted wrongly. Michael Ruggins said that this sort of personal matter was not properly part of the panel's business. Sue Brown said that when NMC had been at the LVT he had been representing leaseholders and that his complaint was therefore of general interest to leaseholders. The panel voted to endorse Mr Martin-Clark as a fit person to be chair despite the allegations against him. Ms Zilkha then handed the chair back to Mr Martin-Clark.

- ❖ **Action point. Mr Thevanesan said he would refer the matter to the Board.** He would be happy to apologise if he was overruled.

Mr Thevanesan presented a short report on the action points contained in the minutes. The following points arose:

Day to day repairs. Mr Thevanesan explained that he had received some information from Mr Hoctor, Housing Repairs Contracts Manager, following the finalisation of his report to the Panel. Mr Hoctor had advised him that there was no policy to defer work necessary to prevent leaks into people's homes. He would provide the full text of his report to the next meeting.

- ❖ **Action point. It was agreed to circulate the information Mr Hoctor had provided at the next meeting.**

Succession planning. The Panel felt that the process by which leaseholders would be involved in selecting a replacement Board Member remained unclear. They requested to know whether the Leasehold Panel would have any input into the selection process.

Interest on Council loans. The Panel welcomed the fact that the Council had agreed an improvement in the rate of interest, currently 7.4%. They would now offer a beneficial rate of interest of 5% for leaseholders who were eligible for council loans, the question was raised as to whether this would be fixed or variable. Mr Thevanesan replied that it would vary in accordance with the Bank of England rate of interest.

Resident involvement impact assessment. Members of the Panel noted that it was necessary to choose an activity in relation to this assessment. It was agreed that a suitable subject would be the discussion that had taken place earlier in the year regarding the new policy on payment options for major

works. The assessment would be included as an item on the agenda for the next meeting.

**4. Legal advice on recovery action regarding payments required in advance, Andrew Cusack, Litigation Lawyer, Haringey Council.** Mr Cusack explained that he had been asked to address the question as to whether Homes for Haringey and the Council had the right to ask leaseholders to start paying for major works in advance. He said that this matter was covered in the lease in the Fourth Schedule, paragraph g. It reads as follows:

*The Tenant shall if required by the Corporation with every quarterly payment of rent reserved hereunder pay to the Corporation such sum in advance on account of the Service Charge as the Corporation shall specify at its discretion to be a fair and reasonable interim payment.*

Mr Cusack said that this referred to billing in advance. It meant that the Council was entitled to request the payment of a major works invoice quarterly in advance in the same way as leaseholders were required to pay their annual estimated service charges. He was asked whether major works could be regarded as being in the same category as other service charges. He replied that the cost of any work relating to a service provided by the landlord to the building or the estate should be classified as a service charge.

Furthermore this was referred to in the lease, Clause 4(2), which stated amongst other matters that the leaseholder should ~~pay~~ *pay to the Corporation without any deduction by way of further and additional rent a proportionate part of the reasonable expenses and outgoings incurred by the Corporation in the improvement, repair, maintenance, renewal and insurance of the Building and the Estate, and the provision of services therein, and the other heads of expenditure as the same are set out in the Third Schedule hereto; such further and additional rent (hereinafter called the "Service Charge") being subject to the terms and provisions set out in the Fourth Schedule hereto . . ."*

The question was raised as to whether rent was different to service charges. Mr Cusack said that under the terms of the lease a service charge was simply a form of rent. Reference was made to the fact that a number of different types of lease had been produced by the Council over the years. Mr Cusack agreed – these had been produced mainly in relation to the legislative requirements at the time. Initially this had resulted in repair only leases, though the majority of leases included the requirement to pay for improvement works.

The fact that the Council Tax had replaced the system of rates had also required changes to the lease. However any such changes did not affect the basic legal definitions which meant that all leases treated major works as

service charges. The exception of improvement works in relation to a small number of the earliest leases only related to a rather restricted category of expenditure.

Mr Martin-Clark said that leaseholders should have the option to defer payment until after the final accounts had been drawn up for the work. Mr Thevanesan replied that since the Council had to make interim payments to the contractor each month, it was perfectly reasonable for leaseholders to start paying soon after the work had commenced. However the Panel decided to reaffirm its position that leaseholders should have the option to pay in arrears.

**❖ Action point. Mr Thevanesan agreed to consider the matter and respond at the next meeting.**

Mr Thevanesan concluded by saying that the Home Ownership Team were in the process of finalising a guide to the lease, which would provide explanations in plain English of every part of the lease. It would be published shortly.

**5. Proposed digital TV contract – Les Armstrong, Head of Design and Engineering.** Mr Armstrong commenced by apologising for the fact that Michael O’Driscoll, Electrical Services Manager was unable to attend – he had a prior appointment. Mr Armstrong explained that as head of the department he was familiar with all the technical issues involved. He said that the Council’s policy was to replace the existing communal aerials, which were only capable of receiving the analogue transmissions, with digital receivers. They would provide a wider range of choice without which there would be a danger of a proliferation of individual dishes on the outside of every building. This not only detracted from the appearance of the buildings it also tended to cause damage to the outer brickwork.

Some Panel Members expressed the view that it would be better if leaseholders were given the choice of opting out from having to use the communal aerials, since many had already a full choice of services through their cable provider. They said that Homes for Islington had agreed to allow their leaseholders to opt out from having to have the communal service.

Mr Armstrong replied that the communal system would give people access to a full range of subscription services. Since it would generally give more choice than the cable providers, it would help to combat the problem the Council had of people fixing satellite dishes to the outsides of the buildings. The question was raised as to where the new cables would be located. Mr Armstrong said that generally there would be no option apart from fixing them to the outer surface. Only one access point would be provided for each property, as was the case with the existing systems. Although it was

difficult to give general figures he understood that the current cost per property was in the region of £400. Mr Martin-Clark commented that cable was generally much less expensive – Virgin for instance only charged about £120 for installation.

Mr Armstrong responded that the communal aerial would offer people more choice in respect of possible service providers. All existing dishes would be removed. The question was raised as to whether the lease referred to a charge in respect of communal TV aerial systems. Mr Thevanesan confirmed that the lease specifically refers to the provision of communal television and radio aerials. He said that bills for installation works would include itemised breakdowns.

**6. How leaseholders can apply to install their own windows (draft leaflet).** **Pari Badiani, Team Leader, Home Ownership Team.** Ms Badiani referred to the draft which had been circulated with the agenda for the meeting. She apologised for the fact that it had not been available earlier and Mr Nicholas said that there was a lot of detail involved in drawing up the procedures and these were still being worked out. Ms Badiani explained the main issues covered by the leaflet.

A Panel Member asked whether it was obligatory for a leaseholder to have their windows replaced by Homes for Haringey. Mr Thevanesan replied that even if a leaseholder refused to have their windows replaced, they would still be liable to pay a proportion of the cost of the work. If their windows were due for replacement but the leaseholder still believed they were perfectly adequate they could always refer the matter to the Leasehold Valuation Tribunal.

The question was raised – what if I only want to replace a door? Ms Badiani replied that if a leaseholder wanted to obtain exemption from having to pay towards the Council's costs of maintaining the windows and external doors in their building, then they would have to replace all the windows and doors in their property that were due for replacement. She confirmed that leaseholders who had already installed replacement windows and doors could apply for permission retrospectively – she had included a short section on this matter in the leaflet.

❖ **Action point.** It was agreed to include further consideration of the leaflet on the agenda for the next meeting.

**7. Draft booklet - Leaseholders invoices for major works.** Mr Thevanesan asked whether anyone had any more comments on the draft which had been circulated with the minutes, but there were none. He said he would circulate the draft again at the next meeting.

**8. Any other business**. There was insufficient time to discuss the following items:

a. Annual Participation Questionnaire 2007/8 - Draft Report (attached).

- To Look at the results of the questions for the Leasehold Panel
- Agree what improvements can be made for the Leasehold Panel
- Suggest any improvements that could be made for all groups.

b. Review of Resident Involvement and Impact Assessment – to decide on an activity or activities to assess and what outcomes to measure (in relation to costs).

It was agreed to defer these items to a future meeting

Mr Martin-Clark thanked everyone for their contributions and then closed the meeting

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